

10 AUGUST 2022

SPOTLIGHT ON THAILAND

Published Reports

- PRINCIPAL CAPITAL (PRINC TB) - Growth story of Thai healthcare prince; Initiate with BUY TP THB10.00
- THAI OIL (TOP TB) - A record high GRM in 2Q22; BUY TP THB70.00
- THANAPIRIYA (TNP TB) - In transition to stronger growth; BUY TP THB6.80
- ASIAN SEA CORPORATION (ASIAN TB) - Pet food is the crown jewel; BUY TP THB24.70
- SIAM MAKRO (MAKRO TB) - Waiting for Lotus to blossom; BUY TP THB52.00
- GLOBAL POWER SYNERGY (GPSC TB) - A rebound before a retreat in 3Q22; HOLD TP THB70.00
- SRINANAPORN MARKETING (SNNP TB) - Record high revenue drove 2Q22; BUY TP THB20.00
- MICRO LEASING (MICRO TB) - Muted catalysts in the short term; HOLD TP THB5.50
- ADVANCED INFO SERVICE (ADVANC TB) - 2Q22 results were in line; BUY TP THB250.00

Results Comments

- Namyong Terminal (NYT TB, HOLD, TP THB3.90) - A fine 2Q22 results thanks to C0
- IRPC (HOLD, TP THB3.2) - Solid GRM drove 2Q22 result
- BCPG (BUY, TP THB17) - Earnings from hydro power plants and solar farms are key
- ACE (BUY, TP THB4.1) – 2Q22 net profit was eroded by higher gas cost
- GGC (BUY, TP THB13.1) – FA margin spike rescued 2Q22
- BBGI (BUY, TP THB15) – 2Q22 core loss was driven by higher feedstock costs
- QH (BUY, TP THB2.5) – slow recovery in 2Q22
- NCAP (HOLD; TP THB7.6) - Feeble 2Q22 results from NPLs and competition
- MTC (BUY; 2023 TP of THB60) - In line 2Q22 results, but a continued surge of NPLs

Indices	Index as of 9-Aug-22	Change -1D (%)	Change YTD (%)	Net Foreign YTD (USD m)
Thailand SET	1,619	0.6	(2.3)	3,900
China SHCOMP	3,247	0.3	(10.8)	
Hong Kong HSI	20,003	(0.2)	(14.5)	
India SENSEX	Closed	0.8	1.0	(25,860)
Indonesia JCI	7,103	0.2	7.9	4,099
Korea KOSPI	2,503	0.4	(15.9)	(13,336)
MY FBMKLCI	1,498	0.1	(4.5)	
PH PCOMP	6,469	0.5	(9.2)	(953)
SG FSSTI	Closed	(0.4)	4.7	
Taiwan TWSE	15,050	0.2	(17.4)	(35,321)
VN VNINDEX	1,259	0.2	(16.0)	62
MSCI Emerging	1,002	(0.0)	(18.7)	
Nikkei 225	28,000	(0.9)	(2.7)	
FTSE 100	7,488	0.1	1.4	
CAC 40	6,490	(0.5)	(9.3)	
DAX	13,535	(1.1)	(14.8)	
Dow Jones	32,774	(0.2)	(9.8)	
Nasdaq	12,494	(1.2)	(20.1)	
S&P 500	4,122	(0.4)	(13.5)	
Brent	96.31	(0.4)	23.8	
Dubai	Closed	1.2	27.0	
WTI	90.50	0.1	20.5	
GOLD	1,794.29	(0.0)	(1.9)	

Trade data	Buy	Sell	Net	Share (%)
(THB m)	(THB m)	(THB m)	(THB m)	(THB m)
Foreign	27,286	24,099	3,187	45
Retail	19,951	22,319	(2,368)	37
Prop Trade	5,466	5,505	(39)	10
Local Institution	4,970	5,751	(780)	9
Total Trade	57,674	57,674	(0)	100

Rates	Last close	1M ago	End last yr	1yr ago
	8/9/2022	7/11/2022	12/31/2021	8/10/2021
THB/USD	35.41	36.27	33.21	33.46
Inflation *	7.61	7.66	2.17	0.45
MLR **	5.31	5.31	5.31	5.31
1Y Fixed *	0.43	0.43	0.43	0.43
Govt bond 10Y	2.41	2.69	1.89	1.51

Commodity	Last close	1M ago	End last yr	1yr ago
(USD/bbl)	8/9/2022	7/8/2022	12/31/2021	8/6/2021
Brent	96.31	107.02	77.78	69.04
Dubai	97.10	108.14	76.48	70.20
WTI	90.50	104.79	75.21	68.29
Gold	1,794	1,734	1,829	1,729
Baltic Dry	1,566	2,067	2,217	3,375
(USD/ton)	05-Aug-22	29-Jul-22	25-Dec-20	06-Aug-21
Coal	399.71	435.52	84.45	155.84
% change	(8.2)	3.3	373.3	156.5

* chg y-y% last at end of most recent month end; *** Avg of 4 major banks;

Sources: Bloomberg, except coal from BANPU

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Economics

- COVID-19 cases as of 9 Aug globally reaches 161,062,427 with new 736,353 cases and 13,503 new deaths. There are 21,616,631 currently infected patients, with 43,765 (0.2%) cases in serious condition.
- Cabinet approves Eastern Airport City
- MPC expected to raise interest rate Wednesday
- Mother's Day to see 9% rise in spending
- EconThai calls for wage hike to be based on inflation rate

Corporate News

- Thai Airways' B80bn capital-raising plan led by govt
- Bank of Thailand to get more powers in crypto law overhaul
- Finance minister favours modest rate hike to shield growth
- Ad Slowdown Spreads Beyond Tech to TV Networks, Publishers
- Sellers unfazed as Facebook scraps live shopping feature
- SPRC faces B39m suit over oil spill
- S&P bakeries install robots as costs soar
- Banks vow to keep rates steady for the time being

Published Reports

PRINCIPAL CAPITAL (PRINC TB) - Growth story of Thai healthcare prince; Initiate with BUY TP THB10.00

Target to expand more than double bed capacity by 2025

PRINC is one of the fastest-growing hospital chains in Thailand, from 5 hospitals in 2017 when it transformed into a healthcare-related business to 13 hospitals with 1,151 beds currently. PRINC aims to grow its portfolio to 20 hospitals with 3,000 beds by 2025. This would imply a bed capacity increase of 161%, significantly higher than its peers' average of 24% in the same period.

Covid pandemic to shorten ramping-up period of new hospitals

The "Princ" brand and most of its hospitals are new, operating for only 2-3 years on average. Normally, it would take about 5 years for hospitals to ramp up their customer base and revenue. Fortunately for PRINC, it turned around earlier than expected due to the Covid pandemic which supported PRINC to improve its reputation and expand its customer base without major marketing expenses, as the group allocated resources to serve Covid patients. We think some patients will become regular customers at PRINC hospitals.

Strong revenue growth driven by both organic and expansions

Despite Covid-related revenue (accounted for c40% of total revenue in 2021-22E) likely slowing down, we forecast revenue to grow at a 21% CAGR from THB5.1b in 2021 to THB10.7b in 2025. The key growth drivers consist of organic revenue at a 10% CAGR, new hospitals at a 10% CAGR, and the healthcare-related business (Pewdee Clinic, primary care clinic and elderly care) at 2%. This would translate into strong core profit growth at a 103% CAGR (vs peers' 4% CAGR average) from THB79m in 2021 to THB1.3b in 2025E.

Trading at a discount in terms of both P/E and market cap/bed

We initiate coverage of PRINC with a BUY call and a 2023 SoTP-TP of THB10/shr, consisting of 1) the hospital business with a DCF valuation of THB9.4/shr; and 2) the property business valued at THB1.2/shr and net debt of THB0.3/shr. PRINC's hospital business (excluding property business) trades at an attractive valuation of 26x (vs peers' average of 34x). PRINC is the cheapest investing option for a hospital chain in Thailand that is in a harvesting (for existing hospitals) and expansion period, with a market cap/bed of only THB21m and ample room to re-rate to the THB41m market cap/bed average of other hospital chains.

Exhibit 1: PRINC hospital summary

Hospital	Location	No. of beds (no.)	Project type	Investment (THB b)	Acquired	Opened	Highlight
1 Princ Hospital Suvarnabhumi	Bangkok	200	Brownfield	0.9	2018	4Q19	BHN-Joint and Spine Center
2 Pitsanuvej Hospital	Phitsanulok	150	Brownfield	2.0	2017	1982	JCI accredited, Cathlab, BHN-Cancer Center
3 Pitsanuvej Phichit Hospital	Pichit	90			2017	1991	Orthopaedic Surgeons, Mammogram Ultrasound
4 Princ Paknampo Hopital 1	Nakhon Sawan	100			2017	1991	HIMSS Analytics stage 7, MRI 3
5 Princ Paknampo Hopital 2	Nakhon Sawan	100			2017	1991	Tasla
6 Pitsanuvej Uttaradit Hospital	Uttaradit	57	Greenfield	0.7	-	1Q19	Only private hospital in Uttaradit Province
7 Sirivej Lamphun Hospital	Lamphun	59	Brownfield	0.1	1Q19	1998	Haemodialysis Center, Cataract surgery
8 Princ Uthai Thani Hospital	Uthai Thani	59	Greenfield	0.5	-	4Q19	Only private hospital in Uthai Thani Province
9 Virajsilp Hospital	Chumphon	100	Brownfield	0.6	1Q20	1979	Surgery Clinic, Gynaecology Clinic
11 Princ Ubon Ratchathani	Ubon Ratchathani	59	Brownfield	0.5	3Q20	2015	Potential to capture CLMV patients
10 Princ Sisaket Hospital	Sisaket	59	Greenfield	0.5	-	2Q21	Child Health Clinic 24 hrs., Gastro colono
12 Princ Hospital Lamphun	Lamphun	59	Greenfield	0.5	-	1Q21	Child Health Clinic 24 hrs., Gynaecology Clinic
13 Princ Sakhon Nakhon	Sakhon Nakhon	59	Greenfield	0.5	-	in 1Q23	Only private hospital in Sakhon Nakhon
Total		1,151					

Sources: PRINC; FSSIA's compilation and estimates

THAI OIL (TOP TB) - A record high GRM in 2Q22; BUY TP THB70.00

Solid refinery earnings plus large non-recurring gains

TOP posted a 2Q22 net profit (NP) of THB25.3b, up 2.5x q-q, which was 20% above the BBG consensus and 21% above our estimate, due to a larger-than-expected inventory gain. The NP was driven by a pre-tax inventory gain of THB7.6b, an FX loss of THB1.3b, a THB10.3b net loss on financial instruments, and a pre-tax THB17.3b gain from the divestment of a 10% stake in GPSC. 2Q22 core NP stood at THB14.4b, owing to: 1) a refinery NP of THB25.5b due to a higher market gross refining margin (GRM) vs a total cost at USD3.6/bbl; and 2) lower non-refinery earnings due to weak NPs from aromatics and olefins (from Chandra Asri), partly offset by q-q higher NPs from lube and power.

Solid GRMs offset weak earnings from aromatics

The 2Q22 refinery NP of THB25.5b was driven by a higher market GRM of USD25.1/bbl, up 2.9x q-q. The accounting gross integrated margin (GIM) was at USD33.4/bbl in 2Q22, up 42% q-q due to a higher market GRM and a stock gain of USD7.8/bbl. The aromatics unit turned in a net loss of THB487m due to a lower paraxylene-gasoline spread, with a q-q higher utilisation rate of 77%, up from 73% in 1Q22. The lube unit posted a 2Q22 NP of THB549m, up 67% q-q, due to a higher product-to-feed margin at USD133/t (+37% q-q), with a higher q-q utilisation rate of 90%. Power NP rose to THB408m, up 42% q-q, due to higher NPs from SPPs.

A q-q weaker 3Q22 before rebounding again in 4Q22

We project TOP's NP to soften q-q in 3Q22 due to a q-q lower market GRM on lower product margins, led by lower gasoline, diesel and jet-Dubai margins. During its conference call, TOP said it expected its market GRM to stay above USD15/bbl in 3Q22 despite the q-q higher crude premium, and forecast a sharp drop in the crude premium to USD7/bbl with a potentially rising diesel-Dubai margin in 4Q22.

Accumulate ahead of strong 4Q22E net profit

We maintain BUY and our TP of THB70. We expect TOP's market GRM to rise in 2022, backed by higher product margins to more than offset the higher crude premium and poor earnings from chemicals and lube. We think the jet-Dubai margin will lead the charge for a market GRM improvement on increasingly high rates of travel worldwide.

Exhibit 2: TOP – Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22		6M21	6M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	79,821	120,882	155,379	28.5	94.7	155,094	276,261	78.1	443,287
Operating costs	(70,404)	(100,814)	(119,106)	18.1	69.2	(134,868)	(219,920)	63.1	(411,564)
EBITDA	7,003	13,034	22,322	71.3	218.7	15,275	35,356	131.5	27,689
<i>EBITDA margin (%)</i>	<i>8.8</i>	<i>10.8</i>	<i>14.4</i>	<i>nm</i>	<i>nm</i>	<i>9.8</i>	<i>12.8</i>	<i>nm</i>	<i>6.2</i>
Depreciation & amort	(1,813)	(1,833)	(2,004)	9.4	10.5	(3,634)	(3,837)	5.6	(17,272)
EBIT	3,472	9,965	33,925	240.5	877.0	8,150	43,889	438.5	10,417
Interest expense	(907)	(961)	(966)	0.5	6.5	(1,703)	(1,926)	13.1	(3,516)
Interest & invt inc	163	100	17,492	17,447.3	10,648.3	354	17,591	4,871.6	8,419
Associates' contrib	537	44	(125)	nm	nm	1,008	(81)	nm	1,758
Exceptional	(2,415)	(7,034)	(13,951)	nm	nm	(4,950)	(20,985)	nm	-
Pretax profit	851	2,114	36,375	1,620.8	4,175.4	2,859	38,489	1,246.4	17,078
Tax	(358)	(1,672)	(7,509)	349.1	1,994.7	(746)	(9,181)	1,130.7	(3,416)
<i>Tax rate (%)</i>	<i>42.1</i>	<i>79.1</i>	<i>20.6</i>	<i>nm</i>	<i>nm</i>	<i>26.1</i>	<i>23.9</i>	<i>nm</i>	<i>20.0</i>
Minority interests	(84)	(149)	(123)	(17.5)	45.9	(182)	(272)	49.9	(425)
Net profit	2,123	7,183	25,327	252.6	1,093.2	5,483	32,510	493.0	13,238
Non-recurring	811	3,006	10,929	nm	1,248.1	3,209	13,935	nm	
Core profit	1,312	4,177	14,398	244.7	997.4	2,274	18,575	716.8	13,238
EPS (THB)	1.04	3.52	12.42	252.6	1,093.2	2.69	15.94	493.0	6.49
Core EPS (THB)	0.64	2.05	7.06	244.7	997.4	1.11	9.11	716.8	6.49

Sources: TOP; FSSIA estimates

Exhibit 3: 2Q22/6M22 net profit breakdown

Net profit	2Q21	1Q22	2Q22	----- Change -----		6M21	6M22	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	
Consolidated	2,123	7,183	25,327	253	1,093	5,483	32,510	493
- Refinery	(1,014)	6,326	25,543	304	nm	(117)	31,869	nm
- Aromatics	916	62	(487)	nm	nm	1,550	(425)	nm
- Olefins	-	(66)	(195)	195	nm	-	(262)	nm
- Lube	1,386	329	549	67	(60)	2,184	878	(60)
- Stock gain/loss	3,783	14,472	7,557	(48)	100	8,439	22,029	161
- Power and others								
Power	709	288	408	42	(42)	1,307	696	(47)
Solvent	147	226	253	12	72	393	479	22
Marine transport	(1)	-	-	nm	nm	15	-	nm
Ethanol	14	8	(17)	nm	nm	49	(9)	nm
Others	99	128	90	(30)	(9)	182	219	20

Sources: TOP; FSSIA estimates

Exhibit 4: 2Q22/6M22 key quarterly drivers

Margin breakdown	Unit	2Q21	1Q22	2Q22	----- Change -----		6M21	6M22	Change
					(q-q %)	(y-y %)			
GIM (excl. stock gain/loss)	USD/bbl	5.2	7.6	25.6	237	392	4.7	17.0	262
GIM (incl. stock gain/loss)	USD/bbl	10.0	23.6	33.4	42	234	10.1	28.7	184
Stock gain/loss	USD/bbl	4.8	16.0	7.8	(51)	63	5.4	11.7	117
Refinery market GRM	USD/bbl	0.4	6.4	25.1	292	6,175	0.6	16.1	2,583
Spread PX- ULG 95	USD/tonne	206.0	124.0	44.0	(65)	(79)	200.0	84.0	(58)
Spread BZ-ULG95	USD/tonne	313.0	110.0	23.0	(79)	(93)	247.0	66.0	(73)
Product to feed - aromatics	USD/tonne	112.0	27.0	(27.0)	nm	nm	110.0	(2.0)	nm
Spread 500SN-HSFO	USD/tonne	1,037.0	523.0	608.0	16	(41)	910.0	565.0	(38)
Product to feed - lube	USD/tonne	231.0	97.0	133.0	37	(42)	202.0	115.0	(43)
Utilisation*		2Q21	1Q22	2Q22	ppts q-q	ppts y-y	6M21	6M22	ppts y-y
Refinery	%	98	109	112	3	14	99	110	11
Aromatics	%	89	73	77	4	(12)	85	75	(10)
Lube	%	95	89	90	1	(5)	94	89	(5)
LAB	%	117	122	122	-	5	104	122	18
Solvent	%	129	136	126	(10)	(3)	134	131	(3)
Ethanol - Sapthip	%	79	106	74	(32)	(5)	83	90	7

*Note: Change in margin % is represented in ppt change

Sources: TOP; FSSIA estimates

THANAPIRIYA (TNP TB) - In transition to stronger growth; BUY TP THB6.80

A small hiccup on rising costs

TNP posted a soft 2Q22 net profit of THB34m, down 4% q-q and 22% y-y, missing Bloomberg's consensus forecast by 3%. Revenue dipped to THB579m in 2Q22, down 2% q-q and 4% y-y due to lower SSSG at 12.3%, caused by lower purchasing power on the shortfall of the government's economic stimulus packages, particularly compared to 1Q21. However, TNP is now generating higher revenues from its seven new branches opened in 2021-1H22, in line with the company's growth plan to gradually offset the one-time revenue growth from the government's stimulus packages.

Gross margin improved q-q on effective cost control

The 2Q22 gross margin improved q-q to 17.4%, up from 17% in 1Q21 but down from 17.9% in 2Q21 due to the lack of the one-time government stimulus packages. Cost of sales was at THB478m, down 2% q-q and 4% y-y, in line with the drop in revenue. Distribution costs and SG&A expenses rose to THB61m in 2Q22, up 4% q-q and 7% y-y due to higher logistics costs and higher personnel expenses related to the new branch expansion.

In the transition period to a new growth phase in 2H22-2023

After TNP's strong net profit in 1H21, driven mainly by the non-recurring positive impact of the government's packages, TNP is now in transition to generate more sustainable and higher margins and revenue growth from its growth strategies, which include 1) branch expansions by 3-5 branches annually to the markets where TNP has the strength to capture demand; and 2) cost control to reduce SG&A expenses and improve the gross and net margins.

Maintain BUY; small but beautiful

We maintain BUY and our DCF-based TP of THB6.8. We think TNP's quarterly net profit has already bottomed in 2Q22 and is likely to rebound continuously in 2H22-2023, driven by improving SSSG, branch expansions, and an improving gross margin. TNP announced an interim dividend of THB0.035/share for its operations in 1H22, XD on 23 Aug-22, and we expect TNP to pay a higher dividend for its 2H22 operations as we expect its net profit to grow h-h on higher SSSG.

Exhibit 5: TNP – summary of 2Q22 operations

	2Q21	1Q22	2Q22	Change		2Q22	1H22			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%22E)	(THB m)	(y-y %)	(%22E)	(THB m)	(y-y %)
Sales	605	588	579	(2)	(4)	20	1,167	(14)	41	2,843	8
Cost of sales	496	488	478	(2)	(4)	20	966	(14)	41	2,351	8
Gross profit	108	100	101	0	(7)	20	201	(13)	41	492	9
SG&A	57	59	61	4	7	24	121	7	47	259	14
Operating profit	51	41	39	(4)	(22)	17	80	(32)	35	233	5
Other income	4	4	4	(0)	(6)	18	7	(8)	36	20	26
EBIT	55	45	43	(4)	(21)	17	88	(30)	35	253	6
Interest expense	0.5	0.6	0.6	4	10	-	1	10	-	-	-
EBT	54	44	42	(4)	(22)	17	87	(30)	34	253	7
Income tax	10	8	8	(4)	(20)	18	16	(30)	36	46	2
Net profit	44	36	34	(4)	(22)	17	70	(31)	34	207	8
EPS (THB)	0.05	0.04	0.04	(4)	(22)	17	0	(31)	34	0.26	8
Core profit	44	36	34	(4)	(22)	17	70	(31)	34	207	8
Core EPS (THB)	0.05	0.04	0.04	(4)	(22)	17	0	(31)	34	0.26	8
Key ratios	(%)	(%)	(%)	(ppt)	(ppt)		(%)			(%)	
Gross margin	17.9	17.0	17.4	0.3	(0.5)		17.2			17.3	
SGA/Total revenue	9.5	10.1	10.6				10.3			9.1	
Operating profit margin	8.4	7.0	6.8				6.9			8.2	
Net profit margin	7.3	6.1	5.9				6.0			7.3	
Core profit margin	7.3	6.1	5.9				6.0			7.3	

Sources: TNP; FSSIA estimates

ASIAN SEA CORPORATION (ASIAN TB) - Pet food is the crown jewel; BUY TP THB24.70

A solid 2Q22 as expected

ASIAN reported a strong 2Q22 net profit of THB264m, 2% below Bloomberg's consensus estimate and 5% below our forecast. The key drivers were the pet food (PF) and tuna units, which saw their revenues grow by 44% y-y and 23% y-y, respectively, to offset the sharp drop in revenue from aquafeed by 39% y-y as a result of the company's restructuring and the weaker demand from customers. The gross margin rose q-q to 19.7% in 2Q22, up from 16.8% in 1Q22 but lower than 20.7% in 2Q21 due to the weak margin of the aquafeed unit.

Pet food is now the true star for ASIAN

PF revenue jumped to THB1.6b, up 44% y-y, with a 12% y-y higher sales volume to 10kt. PF revenue accounted for 56% of ASIAN's total revenue in 2Q22, up from 44% in 2Q21. We estimate PF's 2Q22 net profit at THB0.1b-0.2b thanks to rising canned pet food sales, which contributed 44% of the total PF sales volume. PF's "Monchou" premium pet food brand and "Hajiko" mass-market dog food brand have been successfully rebranded, boosting strong revenue growth in 2Q22.

Aquafeed was ASIAN's Achilles' heel

Tuna revenue grew 23% y-y in 2Q22, with a sales volume of 1.35kt. The Middle East is ASIAN's main market for tuna, accounting for 83% of its total revenue in 2Q22. The frozen food sales volume grew 3% y-y to 3.6kt, driven by higher sales volumes of squid to European markets in the HORECA segment. The value-added frozen sales volume climbed by 21% y-y, mostly due to higher demand from the US market. Meanwhile, aquafeed was ASIAN's Achilles' heel, with revenue plunging by 39% y-y to THB246m as a result of the drop in fish feed and shrimp feed sales volumes due to client portfolio adjustment and the lack of an increase in farm volume.

Strong BUY with a TP of THB24.7

We maintain BUY and our TP of THB24.7. We think ASIAN is one of Thailand's most attractive food exporters with strong earnings growth from its crown jewel pet food unit, followed by tuna and frozen food, that should offset the weaker earnings from the aquafeed business. ASIAN announced an interim dividend of THB0.25/share for its 1H22 operations.

Exhibit 6: ASIAN – 2Q22/1H22 operations summary

	2Q21	1Q22	2Q22	Change		2Q22	1H22			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(%22E)	(THB m)	(y-y %)	%22E	(THB m)	(y-y %)
Sales	2,501	2,837	2,810	(1)	12	27	5,647	23	55	10,263	8
Cost of sales	1,982	2,360	2,257	(4)	14	27	4,618	24	55	8,387	10
Gross profit	519	477	552	16	6	29	1,029	18	55	1,876	(0)
SG&A	191	199	244	22	27	36	443	29	65	677	(12)
Operating profit	327	277	308	11	(6)	26	586	11	49	1,198	7
Other income	25	40	23	(41)	(8)	25	63	0	67	93	(11)
Equity income	(1)	2	0	(81)	(141)	11	2	(194)	71	3	(262)
EBIT	352	319	332	4	(6)	26	651	10	50	1,295	6
Interest expense	17	17	19	13	10	21	36	11	39	91	34
EBT	335	302	313	4	(6)	26	615	10	51	1,204	4
Income tax	41	54	49	(10)	18	90	103	108	189	54	(50)
Net profit	293	248	264	6	(10)	23	513	1	45	1,150	10
EPS (THB)	0.36	0.31	0.32	6	(10)		1	(17)	45	1.41	10
Recurring profit	321	235	348	48	8		584	13	51	1,150	11
Normalized EPS (THB)	0.39	0.29	0.43	48	8		1	(5)	51	1.41	11
Key ratios	(%)	(%)	(%)	(ppt)	(ppt)		(%)			(%)	
Gross margin	20.7	16.8	19.7	2.8	(1.1)		18.2			18.3	
SG&A/Total revenue	7.7	7.0	8.7	1.7	1.0		7.9			6.6	
Operating profit margin	13.1	9.8	11.0	1.2	(2.1)		10.4			11.7	
Net profit margin	11.7	8.8	9.4	0.7	(2.3)		9.1			11.2	
Core profit margin	12.8	8.3	12.4	4.1	(0.4)		10.3			11.2	
Revenue breakdown by volume*	(tonne)	(tonne)	(tonne)	(q-q %)	(y-y %)						
Pet food and fish meal business	8,906	9,660	10,010	4	12						
Tuna business	1,244	1,847	1,346	(27)	8						
Aquaculture feed business	13,192	6,202	7,487	21	(43)						
Frozen business	3,491	3,806	3,603	(5)	3						
Revenue breakdown by value*	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)						
Pet food and fish meal business	1,122	1,418	1,614	14	44						
Tuna business	172	258	212	(18)	23						
Aquaculture feed business	401	218	246	13	(39)						
Frozen business	880	1,067	839	(21)	(5)						
% contribution by business	(%)	(%)	(%)								
% Pet food and fish meal business	43.6	47.9	55.4								
% Tuna business	6.7	8.7	7.3								
% Aquaculture feed business	15.6	7.4	8.5								
% Frozen business	34.2	36.0	28.8								

*Includes intercompany sales

Sources: ASIAN; FSSIA estimates

SIAM MAKRO (MAKRO TB) - Waiting for Lotus to blossom; BUY TP THB52.00

Strong wholesale net profit offset weak retail earnings in 2Q22

MAKRO reported a net profit of THB1.6b in 2Q22, 2% below Bloomberg's consensus estimate and 1% below our forecast. Revenue continued to grow to THB118.5b, up 7% q-q and 116% y-y, mostly on the stronger revenue growth from its wholesale unit (MAKRO Modern Trade), which grew 10% y-y on higher SSSG. The net profit from wholesales was THB1.36b in 2Q22, up 5% y-y, while the net profit from the retail unit (Lotus's and mall business) was only THB217m, mainly due to a one-time expense related to investment in IT infrastructure and the rebranding ahead of the exit of Lotus' parent company in 4Q22.

MAKRO's wholesales remained strong in 2Q22

Net profit from wholesales rose 5% y-y to THB1.36b on stronger revenue growth. Revenue from MAKRO's wholesales (MAKRO-Thailand and international and food services) grew to THB59.4b, up 5% q-q and 10% y-y, mainly driven by higher SSSG, the 10 new stores opened since 2Q21 in Thailand, and stronger revenue growth in international markets including Cambodia, Myanmar, and India. Revenue from rental and retail services rose to THB3b in 2Q22, up from THB88m in 2Q21 on higher rental rates. Distribution costs and administrative expenses rose to THB5.3b, up 16.7%, due to 13.4% y-y higher staff costs for new stores and rising delivery expenses related to the online distribution channel.

Lotus's retail unit is in transition to growth in 2023

Revenue from retail (Lotus's) was at THB54b in 2Q22, driven by the store expansions to 2,597 in Thailand and 64 in Malaysia. Service revenue grew to THB3b, thanks to stronger demand, higher rental rates and higher occupancy rates of 89.3% in Thailand and 91% in Malaysia, but still lower than the 96% pre-Covid-19 level. The retail gross profit margin was at 18.2% vs 9.9% for the wholesale unit. However, net profit for retail was only THB217m, mainly due to the large THB0.5b amortisation expense from the IT investment in 2021 and ongoing expenses related to IT infrastructure (THB8b total in 2021-22) and the rebranding (THB3.5b).

Waiting for Lotus to blossom in 2023

Maintain BUY and our DCF-based TP of THB52. We think MAKRO is in a transformation period to improve its retail unit growth in 2023 onward.

Exhibit 7: MAKRO – 2Q22/1H22 operations summary

Year to Dec 31	2Q21	1Q22	2Q22	Change		2Q22	1H22	Change	1H22	2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(%22E)	(THB m)	(y-y%)	(%22E)	(THB m)	(y-y %)
Total revenue	54,955	111,216	118,463	7	116	25	229,680	107	48	475,983	79
Retail sales	53,813	106,268	113,364	7	111	25	219,631	102	48	458,592	77
Service income	910	1,453	1,451	(0)	59	9	2,904	51	18	16,509	295
Other income	144	3,496	530	(85)	267	60	4,027	1,008	456	882	(74)
Gross profit	6,295	20,163	19,293	(4)	207	25	39,456	202	51	77,831	105
Operating costs	(4,544)	(16,076)	(15,776)	(2)	247	28	(31,852)	254	56	(57,354)	108
Operating profit	1,751	4,087	3,517	(14)	101	17	7,604	87	37	20,477	95
Operating EBITDA	2,545	7,704	7,017	(9)	176	25	14,721	161	53	28,028	77
Interest expense	(142)	(1,494)	(1,598)	7	1,022	33	(3,092)	1,038	65	(4,777)	207
Profit before tax	1,608	2,593	1,920	(26)	19	12	4,512	19	29	15,700	76
Tax	(331)	(767)	(549)	(28)	66	17	(1,316)	66	42	(3,140)	48
Associates	(129)	224	202	(10)	(257)	-	426	(557)	-	-	-
Minority interests	139	0	0	3	(100)	(1)	1	(99)	(1)	(70)	(118)
Non-recurring items	0	0	0	n/a	n/a	0	0	n/a	0	(150)	(166)
Reported net profit	1,287	2,050	1,573	(23)	22	25	3,623	20	29	12,640	(8)
Recurring net profit	1,287	2,050	1,573	(23)	22	12	3,623	20	29	12,640	81
EPS (THB)	0.27	0.19	0.15	(23)	(45)	12	0.34	(46)	29	1.19	(8)
Recurring EPS (THB)	0.27	0.19	0.15	(23)	(45)	12	0.34	(46)	29	1.19	81
Key Ratios (%)											
Operating margin	3.2	3.7	3.0				3.3			4.3	
Recurring net margin	2.3	1.8	1.3				1.6			2.7	
SG&A / Sales	8.4	15.1	13.9				14.5			12.5	
Effective tax rate	20.6	29.6	28.6				29.2			20.0	
Operations by business											
	2Q21	1Q22	2Q22	Change			1H22	Change			
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)		(THB m)	(y-y%)			
Sales	53,813	106,267	113,364	7	111		219,631	102			
Wholesale business	53,813	56,622	59,409	5	10		116,031	111			
Retail business	0	49,646	53,954	9	n/a		103,600	n/a			
Revenue from rental and retail services	88	3,057	3,118	2	3,433		6,175	3,369			
Total revenue	54,956	113,198	116,482	3	112		229,680	107			
Gross profit from sales	5,169	15,214	15,694	3	204		30,908	189			
Gross profit margin from sales	9.6%	14.3%	13.8%				14.1%				
EBITDA	2,518	8,637	8,099	(6)	222		16,736	191			
Finance cost	142	1,494	1,598	7	1,022		3,092	1,037			
Net profit	1,287	2,050	1,573	(23)	22		3,623	20			
Wholesale business	1,287	1,741	1,356	(22)	5		3,097	3			
Retail business	0	309	217	(30)	n/a		526	n/a			

Sources: MAKRO; FSSIA estimates

GLOBAL POWER SYNERGY (GPSC TB) - A rebound before a retreat in 3Q22; HOLD TP THB70.00

A decent 2Q22 result

GPSC's 2Q22 net profit (NP) was weak at THB684m, up 118% q-q but down 70% y-y. Core NP was at THB1.2b, up 56% q-q but down 56% y-y, missing our estimate by 12% and the BBG consensus by 20%. Key drags were the high gas and coal costs and the q-q lower electricity dispatch by the Electricity Generating Authority of Thailand (EGAT) for its independent power producers (IPPs), but these were partly offset by a higher q-q share of profits from GPSC's 25%-owned Xaiyaburi (XPCL) hydropower plant. Core NPs from GPSC's main power plants dropped in 2Q22 due to: 1) lower gross profits (GPs) from small power producers (SPPs) due to a higher y-y gas cost (-11% q-q, +83% y-y) and a higher coal cost (+16% q-q, +134% y-y); and 2) higher availability payments (APs) from IPPs due to y-y strong demand from GHECO-One.

Improving q-q performance on higher demand and margins

Overall, 2Q22 GP rose q-q to THB3.6b (+29% q-q, -34% y-y), while 2Q22 GP from SPPs was at THB1.9b (+34% q-q, -52% y-y) on the y-y higher gas cost at THB432/mmbtu (-11% q-q, +83% y-y), the higher coal cost at USD205/tonne (+16% q-q, +134% y-y), flat steam sales (+6% y-y for GPSC, -7% y-y for GLOW), but declining electricity sales volumes (+3% y-y for GPSC, -4% y-y for GLOW). The higher GP from IPPs at THB1.7b (+24% q-q, +22% y-y) was due to higher APs from GHECO-One.

XPCL drove share of profits higher in 2Q22

XPCL (25%-owned by GPSC) contributed a net profit of THB459m in 2Q22, up from only THB1m in 1Q22 due to seasonally higher water levels, boosting the overall share of profits q-q in 2Q22 to THB432m (+204% q-q, -17% y-y). NPs from another power plant, Nam Lik 1, dipped 30% q-q to THB14m. The acquired solar farms from Avaada contributed a net loss of THB154m due to high financing costs, while solar farms in Thailand added THB91m in net profit in 2Q22 (-2% q-q, +1% y-y).

Still risky on higher gas cost

We maintain HOLD and our TP of THB70. We expect GPSC's weak earnings to continue in 2H22, dragged down by high gas and coal costs and weaker earnings from Avaada and CI that should be partly offset by rising demand for electricity and steam from industrial users.

Exhibit 8: GPSC – Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22		6M21	6M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	18,234	27,261	27,719	1.7	52.0	34,858	54,980	57.7	86,832
Operating costs	(13,259)	(24,833)	(25,290)	1.8	90.7	(24,973)	(50,123)	100.7	(71,498)
EBITDA	4,975	2,428	2,429	0.0	(51.2)	9,885	4,857	(50.9)	14,852
EBITDA margin (%)	27	9	9	nm	nm	28	9	nm	17
Deprn & amort.	(2,172)	(2,135)	(2,134)	(0.0)	(1.7)	(4,225)	(4,269)	1.0	(7,668)
EBIT	2,803	293	295	0.7	(89.5)	5,660	588	(89.6)	7,185
Interest expense	(987)	(974)	(1,046)	7.4	6.0	(1,961)	(2,020)	3.0	(3,305)
Interest & invt inc	0	0	0	nm	nm	0	0	nm	0
Other income	521	932	625	(33.0)	20.0	791	1,557	96.9	0
Associates' contrib	519	143	432	203.0	(16.8)	726	575	(20.9)	1,967
Exceptional	(75)	(50)	555	nm	nm	10	505	5,050.1	0
Pretax profit	2,781	344	861	150.5	(69.0)	5,226	1,204	(77.0)	5,847
Tax	(348)	34	(53)	nm	(84.7)	(800)	(19)	(97.6)	(336)
Tax rate (%)	12	(10)	6	nm	nm	15	2	nm	6
Minority interests	(132)	(64)	(124)	93.8	(5.7)	(150)	(188)	25.1	(643)
Net profit	2,302	313	684	118.3	(70.3)	4,276	997	(76.7)	4,868
Non-recurring	418	458	520	13.6	24.5	803	978	21.7	0
Core net profit	2,720	771	1,204	56.2	(55.7)	5,079	1,975	(61.1)	4,868
EPS (THB)	0.82	0.11	0.24	118.3	(70.3)	1.52	0.35	(76.7)	1.73
Core EPS (THB)	0.96	0.27	0.43	56.2	(55.7)	1.80	0.70	(61.1)	1.73

Sources: GPSC; FSSIA estimates

Exhibit 9: GPSC – 2Q22/6M22 – key performance

	2Q21	1Q22	2Q22	(q-q %)	(y-y %)	6M21	6M22	(y-y %)	Unit
IPP									
Gross profit	1,359	1,333	1,658	24.4	22.0	2,378	2,991	25.8	THB m
Gross profit margin*	27	13	20	7.0	(7.0)	31	16	(15.0)	%
Availability rate (Sriracha)*	100	84	90	6.0	(10.0)	100	87	(13.0)	%
Availability rate (GIPP)*	100	99	100	1.0	0.0	88	99	11.0	%
Availability rate (GHECO-ONE)*	76	76	84	8.0	8.0	68	80	12.0	%
Average selling price	2.32	4.77	4.68	(1.9)	101.7	2.12	4.69	121.2	THB/kWh
Natural gas consumption (Sriracha)	1,646	25	25	0.0	(98.5)	6,172	50	(99.2)	('000 MMBTU)
Natural gas consumption (GLOW)	1,673	666	242	(63.7)	(85.5)	3,563	907	(74.5)	('000 MMBTU)
Average coal cost	63	162	196	20.9	208.8	66	179	170.6	USD/tonne JPU
SPP									
Gross profit	3,996	1,446	1,930	33.5	(51.7)	8,265	3,375	(59.2)	THB m
Gross profit margin*	28	8	10	2.0	(18.0)	31	9	(22.0)	%
Weighted average selling price (Electricity)	2.92	3.78	3.81	0.8	30.5	2.90	3.79	30.7	THB/kWh
Weighted average selling price (Steam)	922	1,379	1,455	5.5	57.8	926	1,417	53.0	THB/Tonnes
Natural gas consumption	32,807	29,922	31,796	6.3	(3.1)	62,078	61,719	(0.6)	('000 MMBTU)
- GPSC	13,313	13,455	13,590	1.0	2.1	26,387	27,045	2.5	('000 MMBTU)
- GLOW	19,494	16,467	18,206	10.6	(6.6)	35,691	34,674	(2.8)	('000 MMBTU)
Average price of natural gas	236	487	432	(11.3)	83.1	231	433	87.4	THB/MMBTU
Average coal cost	88	177	205	16.4	134.2	79	192	143.6	USD/tonne JPU
VSP									
Gross profit	131	36	37	2.8	(71.8)	182	72	(60.4)	THB m
Gross profit margin*	55	24	15	(9.0)	(40.0)	55	19	(36.0)	%
Average selling price (Electricity)	12.05	6.31	8.22	30.3	(31.8)	9.74	7.40	(24.0)	THB/kWh
Average selling price (Chilled water)	6.86	8.11	7.83	(3.5)	14.1	7.16	7.96	11.2	THB/RT
Share of profits from associates and joint ventures									
	518	142	432	204.2	(16.6)	725	576	(20.6)	THB m
- Xayaburi Power Company Limited (XPCL)	343	1	459	nm	33.8	315	460	46.0	THB m
- Bangpa-in Cogeneration Company Limited (BIC)	28	17	15	(11.8)	(46.4)	65	32	(50.8)	THB m
- Nava Nakorn Electricity Generating Company Limited (NNEG)	39	(15)	(2)	(86.7)	nm	81	(17)	nm	THB m
- Nam Lik 1 Power Company Limited (NL1PC)	11	20	14	(30.0)	27.3	28	34	21.4	THB m
- Thai Solar Renewable Company Limited (TSR)	90	93	91	(2.2)	1.1	191	184	(3.7)	THB m
- Eastern Seaboard Clean Energy Company (ESCE)	0	7	7	0.0	nm	14	15	7.1	THB m
- Avaada Energy Private Limited (Avaada)	0	(2)	(154)	nm	nm	na	(155)	nm	THB m
- Global Renewable Power Company Limited (GRP)	7	22	12	(45.5)	71.4	31	34	9.7	THB m
- Nuovo Plus Company Limited (NUOVO PLUS)	na	(1)	(10)	nm	nm	na	(11)	nm	THB m

*Note: Change in margin % is represented in ppt change

Sources: GPSC; FSSIA estimates

SRINANAPORN MARKETING (SNNP TB) - Record high revenue drove 2Q22; BUY TP THB20.00

Strong 2Q22 results on solid revenue growth

SNNP reported a strong 2Q22 net profit of THB116m, up 10% q-q and 51% y-y, in line with Bloomberg's consensus but below our estimate by 3%. Revenue jumped to THB1.34b, up 17% q-q and 25% y-y, boosted by revenue growth in both domestic and overseas markets and new products. Retail sales gross margin dipped to 26.1% due to higher labour expenses related to the capacity expansion for hemp drinks. Operating EBITDA rose to THB190m, up 5% q-q and 18% y-y due to higher revenues and rising utilisation rates of plants in Thailand and Vietnam.

Revenue growth on new products and demand recoveries

2Q22 revenue growth was impressive at 17% q-q and 25% y-y, backed by rising domestic market revenue at THB967m (+8% q-q, +14% y-y) and overseas revenue at THB356m (+52% q-q, +62% y-y), thanks to the demand growth on the economic recovery, improving consumer demand for new products, particularly in Thailand for hemp drinks and mini-JELE products. Revenue from Vietnam grew to around 10% of SNNP's total sales, followed by Cambodia's at 7%, based on our estimates.

Effective cost control in 2Q22

Cost of sales rose to THB978m in 2Q22, up 19% q-q and 23% y-y vs 17% q-q and 25% y-y revenue growth due to one-time expenses related to the capacity expansion for hemp drinks and rising raw material costs. SG&A expenses rose to THB159m, up 27% q-q and 45% y-y, due to expenses related to new product launches and rising logistics costs as a result of the higher oil price. SG&A-to-sales ratio inched up to 15.7%, up marginally from 15.6% in 1Q22. We project the ratio to decline in 2H22 as SNNP should see lower expenses related to new product launches.

Stronger growth in both domestic and Vietnam market

We maintain BUY and our TP of THB20, based on 37x 2022E P/E. We think SNNP's net profit growth will continue in 2H22-2023, backed by continued revenue growth on the demand recovery, new product launches, and stronger earnings from overseas markets, particularly in Vietnam and Cambodia. SNNP should now capture higher margins from its launches of new "localised" products to the Vietnam market, produced at a lower cost from its new production plant in Vietnam.

Exhibit 10: SNNP – summary of 2Q22/1H22 operations

YE Dec 31	2Q21	1Q22	2Q22	----- Change -----		2Q22	----- 1H22 -----			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(%22E)	(THB m)	(y-y%)	(%22E)	(THB m)	(y-y%)
Total revenue	1,073	1,144	1,339	17	25	27	2,483	14	49	5,051	15
Retail sales	1,068	1,133	1,323	17	24	26	2,457	13	49	5,012	15
Cost of sales	795	823	978	19	23	27	1,801	12	49	3,659	14
Gross profit	278	321	361	13	30	26	682	18	49	1,392	18
Operating costs	158	179	210	17	33	28	388	3	51	758	3
Operating profit	121	142	152	7	26	24	294	48	46	634	42
Operating EBITDA	162	181	190	5	18	23	371	29	45	833	35
Interest expense	(17)	(0)	(0)	(19)	(99)	3	(0)	(99)	7	(5)	(88)
Profit before tax	104	142	152	7	46	24	294	80	47	629	55
Tax	(21)	(29)	(30)	2	39	(26)	(59)	63	(52)	113	32
Associates	(9)	(8)	(6)	23	29	(207)	(14)	47	(478)	3	n/a
Minority interests	(3)	(0)	(0)	(69)	(96)	3	(1)	(94)	11	(5)	(132)
Non-recurring items	0	0	0	-	-	-	0	-	-	0	-
Reported net profit	77	105	116	10	51	23	221	(13)	43	514	18
Recurring net profit	77	105	116	10	51	23	221	76	43	514	67
EPS (THB)	0.08	0.11	0.12	10	45	23	0	(16)	43	0.54	18
Recurring EPS (THB)	0.08	0.11	0.12	10	45	23	0	69	43	0.54	67
Key Ratios	(%)	(%)	(%)	(ppt)	(ppt)		(%)			(%)	(ppt)
Retail sales gross margin	25.6	27.4	26.1	(1.3)	0.5		26.7			27.0	0.6
EBIT margin	11.3	12.4	11.3				11.8			12.6	2.4
Recurring net margin	7.7	9.9	9.1				9.5			10.2	3.2
SG&A / Sales	14.7	15.6	15.7				15.6			15.0	(1.8)
Effective tax rate	20.5	20.4	19.5				20.0			18.0	(3.2)
Inventory days	42.0	55.0	57.4							50.0	3.1
Operating statistics											
Domestic sales	849	899	967	8	14		1,866	11			
Overseas sales	219	235	356	52	62		591	46			
% Domestic sales	79	79	73				76				
% Overseas sales	21	21	27				24				

Sources: SNNP; FSSIA estimates

MICRO LEASING (MICRO TB) - Muted catalysts in the short term; HOLD TP THB5.50

NPLs and OPEX led to a weak 2Q22 performance

MICRO delivered a feeble net profit in 2Q22 at THB19m (-63% y-y, -64% q-q), which was lower than our expectation of THB27m due to a higher expected credit loss (ECL). The weak performance came from 1) a significant increase in its ECL by 99% y-y, 96% q-q, following a substantial increase in its NPLs by 31% q-q, implying an NPL ratio of 4.58% from 3.85% in 1Q22; and 2) a noticeable rise in its OPEX by 68% y-y, 27% q-q due mainly to its branch expansion, the setting up of a new subsidiary, Micro Plus Leasing, and debt collection expenses. Such negative factors were able to completely drown out its strong operating income growth of 26% y-y, 6% q-q following solid loan growth. MICRO's loan volume surged 45% y-y, 10% q-q due to higher demand for used trucks and from gaining more market share from local competitors. Its 1H22 net profit accounts for 37% of our 2022 net profit forecast.

High energy prices, rising inflation led to asset deterioration

Due to its retail segment orientation, we think MICRO faces more negative impacts from high energy prices and high inflation as MICRO's debtors must wait three to six months before they can pass the higher energy cost burden on to their clients. We think this is slowing down the ability of MICRO's debtors to repay their debts. Thus, its NPLs went up substantially in 2Q22. Also, the number of seized vehicles rose to 160 units in the second quarter.

Slow recovery expected in 3Q22

We believe MICRO's earnings bottomed out in 2Q22 and expect that its 3Q22 performance should reflect a slow recovery, with net profit bouncing back minimally q-q from a lower ECL as asset quality problems slightly improve q-q due to seasonality and lower energy prices. However, we think its net profit should continue to fall y-y, dragged down by higher y-y ECL, a rise in its OPEX from setting up its subsidiary Micro Plus Leasing and higher debt collection expenses.

Maintain HOLD with a 2023 GGM-based TP of THB5.5

We maintain our HOLD call on MICRO with an unchanged 2023 TP of THB5.5. We see muted catalysts for driving its performance and share price in the short term. We think its performance should get back on track in 1Q23. At that time, we might put it back in our basket.

Exhibit 11: MICRO – summary of 2Q22 earnings

Year-end Dec 31	2Q21	1Q22	2Q22		1H22			2022E	Change	2Q22 Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%22E	(THB m)	
Net interest income	106	128	134	26	5	261	29	47	555	26
Non-interest income	33	37	41	25	10	78	26	47	165	28
Operating income	139	165	175	26	6	339	28	47	720	26
Operating expenses	45	60	76	68	27	136	53	53	255	37
PPOP before tax	93	105	99	6	(6)	204	15	44	465	21
Expected credit loss	39	39	77	99	96	117	101	51	229	47
Income tax	4	14	5	21	(62)	19	13	41	47	18
Minority interest	0	0	(3)			(3)			0	
Normalised profit	50	52	19	(63)	(64)	70	(30)	37	188	0
Extraordinary items	0	0	0			0			0	
Net profit	50	52	19	(63)	(64)	70	(30)	37	188	0
EPS (THB)	0.05	0.06	0.02	(63)	(64)	0.08	(30)	37	0.20	0
Asset quality ratio (%)										
NPLs (THB m)	117	159	208	78	31				204	55
NPLs / loans	3.74	3.85	4.58						4.13	
Loan loss reserve/NPLs	98	109	98						103	
Credit cost (bps)	520	397	713						525	
Profitability ratio (%)										
Cost to income ratio	32.7	36.2	43.6						35.4	
Average yield	16.0	15.6	15.5						15.7	
Cost of funds (COF)	4.6	5.2	5.6						5.2	
Net interest margin (NIM)	14.2	12.9	12.3						12.7	
Non-int inc / total income	23.6	22.6	23.5						22.9	
Loan growth (%)										
y-y	46.4	45.6	45.1						30.0	
q-q	10.4	8.8	10.0							

Sources: MICRO; FSSIA estimates

ADVANCED INFO SERVICE (ADVANC TB) - 2Q22 results were in line; BUY TP THB250.00

2Q22 results were in line

ADVANC's 2Q22 core earnings grew by 1% q-q to THB6.4b (-6% y-y), in line with our expectation. The company's extra items in 2Q22 included one-time revenue of THB240m and a loss of THB335m from exchange. Mobile revenue grew slightly to THB29.2b (+1.3% q-q; +0.4% y-y) in 2Q22. The growth mainly came from the recovery of economic activities and increasing international roaming. Operating expenses were flat for the previous quarter mainly due to higher marketing expenses relating to the content business.

Lower 2022 guidance but signs of competition have improved

ADVANC has lowered its 2022 guidance as follows: 1) core service revenue – low single-digit growth (from mid-single digit growth); 2) EBITDA – flat to a slight decline (from low single-digit growth); and 3) CAPEX (excluding spectrum) of approx. THB30b (from THB30b-35b). Although the company has lowered its guidance for this year due to the pressure from inflation risk and higher expenses, management anticipates that there should be softer competition in 3Q22. This could be a positive sign for the maintenance of mobile revenue in 2H22.

Keep your eyes on 23 Sep-22

The shareholder meeting of Jasmine International (JAS TB, REDUCE, TP THB3.10) and Jasmine Broadband Internet Infrastructure Fund (JASIF TB, NR) will be held on 23 Sep-22. There is a concern that JASIF's shareholders may not approve the transaction as they may get a lower return from the fund. We'll have to wait and watch for signs from the shareholders, because if it is not approved, the acquisition of Triple T Broadband and JASIF from JAS might not be able to proceed.

Maintain BUY with the same TP of THB250

We still have a positive view on ADVANC. Its core earnings in 1H22 contribute 46% of our full-year forecast. Although the company has lowered its guidance, we, as well as the market, have priced in this expectation from management already. Moreover, the company announced to pay an interim dividend of THB3.45, reflecting an 81% payout ratio, in line with our expectation but lower than the market's expectation of 90%. Maintain BUY with the same TP of THB250. ADVANC should have solid earnings compared to its peers.

Exhibit 12: ADVANC – 2Q22 results review

	2Q21	1Q22	2Q22	----- Change -----		6M21	6M22	Change	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Operating Revenue	42,757	45,279	45,273	(0.0)	5.9	88,618	90,552	2.2	182,872
Operating Expense	(19,751)	(22,875)	(22,920)	0.2	16.0	(43,032)	(45,795)	6.4	(90,727)
EBITDA	23,006	22,404	22,353	(0.2)	(2.8)	45,586	44,757	(1.8)	92,145
EBITDA margin (%)	54	49	49	nm	nm	51	49	nm	50
Depreciation & Amortization	(13,377)	(13,369)	(12,783)	(4.4)	(4.4)	(26,386)	(26,152)	(0.9)	(53,649)
EBIT	9,629	9,035	9,570	5.9	(0.6)	19,200	18,605	(3.1)	38,496
Interest expense	(1,460)	(1,320)	(1,323)	0.2	(9.4)	(2,846)	(2,643)	(7.1)	(5,448)
Other income	233	198	(374)	(289.0)	(260.4)	454	(176)	(138.8)	613
Associates	(33)	(16)	(6)	(60.2)	(81.0)	(93)	(22)	n.a.	20
Extra items	243	(42)	(95)	n.a.	n.a.	20	(137)	n.a.	-
Pretax profit	8,612	7,855	7,773	(1.0)	(9.8)	16,734	15,627	(6.6)	33,681
Tax	(1,571)	(1,543)	(1,467)	(4.9)	(6.6)	(3,048)	(3,010)	(1.2)	(6,174)
Tax rate (%)	(18)	(20)	(19)	nm	nm	(18)	(19)	nm	(18)
Minority interests	(0)	(1)	(0)	(91.4)	(85.0)	(1)	(1)	(45.7)	(3)
Net profit	7,041	6,311	6,305	(0.1)	(10.5)	13,685	12,616	(7.8)	27,504
Core net profit	6,798	6,353	6,400	0.7	(5.9)	13,665	12,753	(6.7)	27,504
EPS (THB)	2.37	2.12	2.12	(0.1)	(10.5)	4.60	4.24	(7.8)	9.25
Core EPS (THB)	2.29	2.14	2.15	0.7	(5.9)	4.60	4.29	(6.7)	9.25

Sources: ADVANC; FSSIA estimates

Results Comments

Namyong Terminal (NYT TB, HOLD, TP THB3.90) - A fine 2Q22 results thanks to C0

- NYT's core profit in 2Q22 was at THB52m (-1% q-q, -8%), slightly better than our expectation of THB46m;
- The company reported net profit was at THB42m due to the extra loss from investment of THB11m;
- C0 performance was better than our expectation recorded as a profit for the first time in the past four years. This was due to the oil and gas projects that passed through their terminal in 2Q22;
- The company's revenue in 2Q22 dropped to THB316m (-10% q-q, -3% y-y) due to weak car exports and less revenue from ferries business;
- GPM remains weak in this quarter of 35% vs 36.2% in 1Q22 and 42.6% in 2Q21. The 35% of GPM in this quarter recorded as the lowest GPM by the company since we collect NYT data from 2013;

Exhibit 13: 2Q22 results review

	2Q21	1Q22	2Q22	----- Change -----		1H21	1H22	chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	(THB m)	(THB m)	(y-y%)	(THB m)
Revenue	325	351	316	(10)	(3)	657	667	2	1,336
Cost of service	(186)	(224)	(205)	(8)	10	(366)	(429)	17	(856)
Gross profit	138	127	111	(13)	(20)	291	238	(18)	480
SG&A expenses	(49)	(42)	(35)	(16)	(29)	(89)	(77)	(13)	(170)
EBIT	89	85	76	(11)	(15)	202	161	(20)	310
Depreciation & amortization	115	120	116	(3)	1	223	237	6	382
EBITDA	204	206	192	(7)	(6)	425	398	(6)	692
EBITDA margin (%)	62.8	58.6	60.8	nm	nm	64.6	59.6	nm	51.8
Interest expense	(24)	(25)	(25)	(1)	6	(41)	(50)	22	(103)
Other income	5	6	5	(13)	(2)	10	11	4	26
Associates	(5)	(6)	0	(104)	(105)	(6)	(6)	(1)	(19)
Extra items	1	1	(11)	n.a.	n.a.	9	(10)	(207)	0
Pretax profit	67	60	45	(24)	(32)	174	105	(39)	214
Tax	(18)	(18)	(13)	(29)	(28)	(44)	(31)	(30)	(56)
Tax rate (%)	(27.0)	(30.5)	(28.5)	nm	nm	(25.5)	(29.6)	nm	(26)
Minority interests	(9)	(12)	(9)	(23)	4	(14)	(22)	(38)	(48)
Net profit	58	54	42	(22)	(27)	143	96	(33)	206
Core net profit	57	53	52	(1)	(8)	134	106	(21)	206
EPS (THB)	0.05	0.04	0.03	(22)	(27)	0.12	0.08	(33)	0.17
Core EPS (THB)	0.05	0.04	0.04	(1)	(8)	0.11	0.09	(21)	0.17

Sources: NYT; FSSIA estimates

IRPC (HOLD, TP THB3.2) - Solid GRM drove 2Q22 result

IRPC posted a 2Q22 net profit (NP) of THB3.8b, up 155% q-q but down 16% y-y, missing our estimate by 2% and BBG consensus by 12%, due to a larger-than-expected hedging loss of THB5.3b.

Excluding an after-tax non-recurring loss of THB2.1b, IRPC's 2Q22 core NP was THB5.9b due to the higher margins for its refinery unit. IRPC's one-time pre-tax loss of THB2.1b comprised a THB4b inventory gain, a THB5.3b oil hedging loss, a THB162m derivative loss, an unrealised hedging loss of THB548m, a THB280m FX loss, and a THB179m investment gain.

The refinery utilisation rate was at 92% in 2Q22, up from 90% in 1Q22, due to the higher product margins.

The market gross integrated margin (GIM) jumped to USD20.2/bbl in 2Q22, up 189% q-q and 30% y-y. Key drivers were: 1) a higher market gross refining margin (GRM) of USD15.7/bbl, up 274% q-q due to higher product margins; 2) a high lube margin at USD0.7/bbl (+230% q-q) due to the lower feedstock cost; and 3) a softer q-q petrochemical group margin.

The olefins GIM was USD1.7/bbl in 2Q22 (-57% y-y, +132% q-q) due to the weak polyethylene-naphtha and polypropylene-naphtha margins, while the aromatics GIM was at USD1.3/bbl, up 30% q-q due to higher styrene-naphtha (+31% q-q) and polystyrene (-+3% q-q) to offset weaker ABS-naphtha (-6% q-q) margins.

Exhibit 14: Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22			6M21	6M22	Chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	62,003	79,432	98,951	24.6	59.6	115,653	178,383	54.2	369,141
Operating costs	(53,108)	(72,832)	(90,930)	24.8	71.2	(97,975)	(163,762)	67.1	(332,197)
EBITDA	8,895	6,600	8,021	21.5	(9.8)	17,678	14,621	(17.3)	27,124
EBITDA margin (%)	14.3	8.3	8.1	nm	nm	15.3	8.2	nm	7.3
Depreciation & amor	(2,209)	(2,008)	(2,015)	0.4	(8.8)	(4,389)	(4,023)	(8.3)	(8,839)
EBIT	6,686	4,592	6,006	30.8	(10.2)	13,289	10,598	(20.3)	18,286
Interest expense	(441)	(398)	(449)	12.8	1.8	(886)	(848)	(4.3)	(1,961)
Interest & invt inc	535	258	436	68.9	(18.5)	1,240	694	nm	0
Associates' contr	186	129	174	34.8	(6.3)	342	303	(11.2)	713
Exceptional	(1,781)	(2,739)	(1,405)	(48.7)	(21.1)	(2,237)	(4,143)	nm	0
Pretax profit	5,184	1,842	4,762	158.5	(8.1)	11,748	6,604	(43.8)	8,316
Tax	(600)	(338)	(927)	174.6	54.5	(1,572)	(1,265)	(19.6)	(987)
Tax rate (%)	11.6	18.3	19.5	nm	nm	13.4	19.2	nm	11.9
Minority interests	(10)	(3)	(2)	(52.4)	(84.4)	(20)	(5)	(76.5)	(28)
Net profit	4,574	1,501	3,833	155.4	(16.2)	10,155	5,334	(47.5)	7,301
Non-recurring	1,800	2,609	(2,079)	M,	M,	1,412	530	nm	
Core profit	2,774	(1,108)	5,912	M,	113.1	8,744	4,804	(45.1)	7,301
EPS (THB)	0.22	0.07	0.19	155.4	(16.2)	0.50	0.26	(47.5)	0.36
Core EPS (THB)	0.14	(0.05)	0.29	M,	113.1	0.43	0.24	(45.1)	0.36

Sources: IRPC; FSSIA estimates

Exhibit 15: 2Q22/6M22 quarterly performance

	2Q21	1Q22	2Q22	Change		6M21	6M22	Change
	(%)	(%)	(%)	(q-q %)	(y-y %)	(%)	(%)	(y-y %)
Utilisation rate*								
Refinery	90	90	92	2.0	2.0	88	91	3.0
RDCC	119	102	120	18.0	1.0	116	111	(5.0)
Lube-based oil	90	81	83	2.0	(7.0)	86	82	(4.0)
Olefins	95	93	87	(6.0)	(8.0)	92	90	(2.0)
Aromatics and Styrenics	93	108	96	(12.0)	3.0	97	102	5.0
Electricity	76	69	66	(3.0)	(10.0)	75	68	(7.0)
Steam	64	61	61	0.0	(3.0)	62	61	(1.0)
	(USD/bbl)	(USD/bbl)	(USD/bbl)	(q-q %)	(y-y %)	(USD/bbl)	(USD/bbl)	(y-y %)
Market GIM	15.8	7.1	20.5	189.0	29.5	14.7	13.9	(6.0)
Refinery	2.7	4.2	15.7	273.5	479.6	2.7	10.1	276.6
Lube-based oil	4.5	0.2	0.7	230.0	(85.3)	3.5	0.4	(87.6)
Olefins	3.8	0.71	1.65	132.4	(56.6)	3.8	1.2	(68.9)
Aromatics and Styrenics	3.4	1.02	1.33	30.4	(60.9)	3.4	1.2	(65.1)
Utilities	1.4	0.96	1.17	21.9	(16.4)	1.3	0.9	(29.5)
Stock Gain/(Loss) & LCM	6.0	11.12	6.01	(46.0)	0.0	7.8	8.7	10.9
Hedging	0.3	(1.2)	0.3	nm	0.0	0.2	(4.9)	nm
Accounting GIM	22.1	17.05	26.76	57.0	21.1	22.7	17.6	(22.6)

*Note: Change in margin % is represented in ppt change

Sources: IRPC; FSSIA estimates

Exhibit 16: 2Q22/6M22 quarterly information

Quarterly information	2Q21	1Q22	2Q22	Chg. (q-q %)	Chg. (y-y %)	6M21	6M22	Chg. (y-y %)
Crude intake (m bbl)	17.65	17.46	18.03	3.3	2.2	34.39	35.48	3.2
Sales volume (THB m)	62,003	79,432	98,951	24.6	59.6	115,653	178,383	54.2
Net sales (THB m)	56,858	76,608	99,395	29.7	74.8	105,246	176,003	67.2
Market GIM (THB m)	8,727	4,105	12,562	206.0	43.9	15,692	16,667	6.2
Market GIM (USD/bbl)	15.68	7.08	20.15	184.6	28.5	14.73	13.85	(6.0)
Accounting GIM (THB m)	12,234	9,891	11,264	13.9	(7.9)	24,201	21,155	(12.6)
Accounting GIM (USD/bbl)	21.98	17.05	18.07	6.0	(17.8)	22.72	17.58	(22.6)
EBITDA (THB m)	8,895	6,600	8,021	21.5	(9.8)	17,678	14,621	(17.3)
Net profit (THB m)	4,574	1,501	3,833	155.4	(16.2)	10,155	5,334	(47.5)

Sources: IRPC; FSSIA estimates

BCPG (BUY, TP THB17) - Earnings from hydro power plants and solar farms are key

BCPG's 2Q22 core net profit (NP) of THB549m (+6% q-q, +9% y-y), beat our estimate by 2% and the BBG consensus by 5%. Including a THB219m non-recurring losses (THB114m FX loss and a THB105m loss related to taxes), its reported NP was THB330m (-76% q-q, -42% y-y).

The strong core NP was due to higher NPs from its hydropower plants, Nam San 3A and 3B, which saw a high capacity factor (CF) of 41% in 2Q22 and a higher NP from its solar farms in Thailand due to higher fuel tariff and new solar farms in Japan.

CFs were mixed, including: 1) the solar farms in Thailand (173.5MW), which saw a CF of 17.2% in 2Q22 vs 17.3% in 1Q22 and 16.9% in 2Q21; and 2) the solar farms in Japan (79.7MW), which had a CF of 16.4% in 2Q22, up from 13.3% in 1Q22

NPs from solar farms in Japan rose, due to the increases in the equity capacity to 79.7MW in 2Q22, up from 59.7MW in 1Q22 and 14.7MW in 2Q21 from the new solar farms Komagane (25MW) and Yabuki (20MW). The higher NP from solar farms timely offset the absence of earnings from the divested geothermal plants in Indonesia (157.5MW) in Mar-22, which normally contributed a THB100-150m NP a quarter to BCPG.

The wind farms in the Philippines (14.4MW) posted a net loss of THB6.8m in 2Q22, due to a low CF of 17.6%, down from 39.8% in 1Q22.

Exhibit 17: Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22		6M21	6M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	1,088	1,158	1,436	24.0	32.0	2,135	2,595	21.6	5,477
Operating costs	(253)	(272)	(345)	26.6	36.2	(492)	(617)	25.4	(760)
EBITDA	835	886	1,092	23.2	30.7	1,642	1,978	20.4	3,930
<i>EBITDA margin (%)</i>	76.7	76.5	76.0	<i>nm</i>	<i>nm</i>	76.9	76.2	<i>nm</i>	71.8
Deprn & amort.	(292)	(325)	(390)	20.1	33.6	(584)	(715)	22.4	(1,080)
EBIT	543	561	702	25.0	29.2	1,059	1,263	19.3	2,850
Interest expense	(193)	(206)	(231)	12.3	20.0	(378)	(437)	15.6	(973)
Interest & invt inc	13	13	28	109.9	111.5	26	42	62.1	225
Other income	2	4	3	(22.4)	46.0	14	6	(56.0)	-
Associates' contrib	157	142	(9)	(106.1)	(105.5)	297	133	(55.3)	592
Exceptionals	66	1,249	(120)	(109.6)	(282.3)	95	1,128	1,082.0	-
Pretax profit	589	1,763	372	(78.9)	(36.7)	1,114	2,135	91.7	2,693
Tax	(24)	(399)	(42)	(89.6)	74.4	(26)	(441)	1,628.4	(76)
<i>Tax rate (%)</i>	4	23	11	<i>nm</i>	<i>nm</i>	2	21	<i>nm</i>	3
Minority interests	0	(0)	(1)	<i>nm</i>	<i>nm</i>	0	(1)	<i>nm</i>	(19)
Net profit	565	1,363	330	(75.8)	(41.6)	1,088	1,693	55.6	2,597
Non-recurring	(61)	(846)	219	(125.8)	(457.6)	(96)	(628)	555.6	-
Core net profit	504	517	549	6.3	9.0	993	1,066	7.4	2,597
EPS (THB)*	0.20	0.47	0.11	(75.8)	(41.6)	0.38	0.59	55.6	0.88
Core EPS (THB)*	0.17	0.18	0.19	6.3	9.0	0.34	0.37	7.4	0.88

*Based on number of shares in 2020 due to the capital increase
Sources: BCPG; FSSIA estimates

Exhibit 18: 2Q22/6M22 electricity generation and capacity factors

	2Q21	1Q22	2Q22	(q-q %)	(y-y %)	6M21	6M22	(y-y %)
Electricity generation (GWh)								
- Thailand	82.5	87.4	87.8	0.5	6.4	167.7	175.3	4.5
- Japan	4.5	14.9	35.6	138.9	691.1	8.6	50.5	487.2
- Laos	102.0	76.9	101.0	31.3	(1.0)	170.1	177.9	4.6
- Philippines	6.4	12.4	5.5	(55.6)	(14.1)	20.0	17.9	(10.5)
- Indonesia	318.5	200.3	0.0	<i>nm</i>	<i>nm</i>	618.9	200.3	(67.6)
Capacity factor (%)				(ppt)	(ppt)			(ppt)
- Thailand (Solar)	16.9	17.3	17.2	(0.1)	0.3	17.2	17.2	-
- Thailand (Wind)	11.2	14.9	8.7	(6.2)	(2.5)	14.1	11.8	(2.3)
- Japan	12.0	13.3	16.4	3.1	4.4	11.4	15.4	4.0
- Laos	41.0	31.2	40.6	9.4	(0.4)	34.4	35.9	1.5
- Philippines	21.0	39.8	17.6	(22.2)	(3.4)	32.3	28.6	(3.7)
- Indonesia	96.9	93.1	0.0	(93.1)	(96.9)	94.5	46.6	(47.9)

Sources: BCPG; FSSIA estimates

Exhibit 19: 2Q22/6M22 share of profits from investments in associates

	2Q21 (THB m)	1Q22 (THB m)	2Q22 (THB m)	----- Change ----- (q-q %) (y-y %)		6M21	6M22	(y-y %)
Share of profits from operations (before one-time)								
- Wind power plant in the Philippines								
Share of profits from operations	12.5	41.1	1.1	(97.3)	(91.2)	39.3	42.2	7.4
Amortisation	(8.1)	(7.6)	(7.9)	3.9	(2.5)	(15.8)	(15.5)	(1.9)
Net share of profits	4.5	33.5	(6.8)	(120.3)	(251.1)	23.5	26.7	13.6
- Geothermal power plants in Indonesia								
Share of profits from operations	247.6	172.8	0.0	(100.0)	(100.0)	459.9	172.8	(62.4)
Amortisation	(95.1)	(64.7)	0.0	(100.0)	(100.0)	(185.9)	(64.7)	(65.2)
Net share of profits	152.6	108.2	0.0	(100.0)	(100.0)	274.0	108.2	(60.5)
Total share of profit (before amortisation)	260.2	213.9	1.1	(99.5)	(99.6)	499.2	215.0	(56.9)
Total amortisation	(103.2)	(72.3)	(7.9)	(89.1)	(92.3)	(201.7)	(80.2)	(60.2)
Total net share of profits	157.1	141.7	(6.8)	(104.8)	(104.3)	297.5	134.9	(54.7)
Total one-time items	46.9	1,832.9	(315.1)	(117.2)	(771.9)	88.2	1,518.0	1,621.1
FX gain/(loss)	80.3	(153.6)	(113.5)	(26.1)	(241.3)	103.0	(267.0)	(359.2)
Tax related to gain/(loss) on foreign exchange	(4.8)	13.3	(9.2)	(169.2)	91.7	0.2	4.2	2,000.0
Loss from disposal of assets	(14.3)	986.6	(96.2)	(109.8)	572.7	(7.5)	890.4	(11,972.0)
Other one-time item	(14.3)	986.6	(96.2)	(109.8)	572.7	(7.5)	890.4	(11,972.0)

Sources: BCPG; FSSIA estimates

ACE (BUY, TP THB4.1) – 2Q22 net profit was eroded by higher gas cost

ACE reported a 1Q22 net profit (NP) of THB384m, up 5% y-y and 19% q-q, beating our estimate by 2% and Bloomberg's consensus forecast by 12%. Excluding extra items of THB69m, 2Q22 core NP was THB314m, down 7% y-y and 4% q-q due to higher gas costs for its SPP that was partly offset by higher electricity production from its biomass power plants with lower maintenance shutdowns. Revenue rose by 18% y-y in 2Q22 due to the higher revenue from the Khlong Klung new biomass power plant. Its waste-to-energy (WTE) power plant in Krabi saw higher revenue of THB128m, up 4% y-y due to higher feedstock availability.

The gross margin (GM) dipped to 28.3% in 2Q22, down from 29.1% in 1Q22 and 33.6% in 2Q21, due to the lower margins of the biomass power plants, its SPP that were offset by the higher margin of WTE power plant. The rising gas cost for its SPP resulted in a lower GM to 19.5% in 2Q22, down from 21% in 1Q22 and 29.9% in 2Q21. The GM for biomass power plants weakened to 30.4% in 2Q22 vs 31.6% in 1Q22 as ACE continued to struggle to improve the utilisation rates and efficiency of the three acquired power plants. We maintain BUY and our SoTP-based TP of THB4.1. We think ACE remains one of Thailand's best plays on the biomass, biogas, and WTE power plants. ACE still expects to win additional biogas and biomass power plants under the Power Development Plan 2022.

Exhibit 20: Summary of 2Q22/6M22 operations

	2Q21	1Q22	----- 2Q22 -----			6M21	6M22	Chg.	2022E
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	1,386	1,621	1,638	1.0	18.2	2,700	3,259	20.7	11,262
Operating costs	(837)	(1,085)	(1,110)	2.3	32.6	(1,634)	(2,195)	34.3	(7,872)
EBITDA	549	536	528	(1.5)	(3.8)	1,066	1,064	(0.2)	3,390
<i>EBITDA margin (%)</i>	40	33	32	<i>nm</i>	<i>nm</i>	39	33	<i>nm</i>	30
Depn & amort.	(165)	(155)	(160)	3.1	(3.1)	(328)	(316)	(3.6)	(1,295)
EBIT	384	380	368	(3.4)	(4.1)	738	748	1.3	2,095
Interest expense	(36)	(35)	(29)	(15.7)	(18.6)	(70)	(64)	(8.9)	(256)
Interest & invt inc	-	4	-	<i>nm</i>	<i>nm</i>	-	4	<i>nm</i>	-
Other income	10	(0)	9	<i>nm</i>	(10.6)	23	8	(63.1)	13
Associates' contrib	-	-	-	<i>nm</i>	<i>nm</i>	-	-	<i>nm</i>	-
Exceptionals	31	(5)	87	<i>nm</i>	<i>nm</i>	86	82	<i>nm</i>	127
Pretax profit	388	345	434	25.8	11.7	777	779	0.2	1,852
Tax	(22)	(22)	(50)	123.5	130.1	(50)	(73)	<i>nm</i>	(48)
<i>Tax rate (%)</i>	6	7	12	<i>nm</i>	<i>nm</i>	6	9	<i>nm</i>	3
Minority interests	0	0	0	(67.4)	<i>nm</i>	0	0	<i>nm</i>	-
Net profit	366	323	384	18.9	4.7	727	706	(2.8)	1,804
Non-recurring	28	(4)	69	<i>nm</i>	144.9	83	66	(21.1)	-
Core net profit	338	327	314	(3.8)	(7.0)	644	641	(0.4)	1,804
EPS (THB)	0.04	0.03	0.04	18.9	4.7	0.07	0.07	(2.8)	0.18
Core EPS (THB)	0.03	0.03	0.03	(3.8)	(7.0)	0.06	0.06	(0.4)	0.18

Sources: ACE; FSSIA estimates

Exhibit 21: 2Q22/6M22 key performance

(THB m)	2Q21	1Q22	2Q22	(q-q%)	(y-y%)	6M21	6M22	(y-y%)
Cost of sales and service								
Fuel materials cost	583	808	811	0.4	39.1	1,120	1,620	44.6
Depreciation and amortisation cost	155	166	169	2.0	8.8	308	335	8.8
Staff cost and other benefits	140	134	153	14.2	9.7	284	288	1.2
Processing fee - PEA	16	16	16	1.3	2.5	31	32	2.5
Other cost	26	25	24	(5.2)	(8.4)	52	49	(4.8)
Total cost of sales and service	1,060	1,149	1,174	2.1	10.7	1,795	2,323	29.4
Net gain on exchange rate	31	(5)	87	<i>nm</i>	180.6	86	82	(4.5)
Gain on forward contracts	5	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>
Gross profit and gross profit margin								
Biomass power plants	259	263	257	(2.2)	(0.8)	498	521	4.5
Natural gas power plant	140	140	128	(8.6)	(8.1)	276	269	(2.8)
Municipal solid waste power plants	64	65	75	15.3	17.9	126	140	11.9
Solar energy power plants	2.90	2.90	2.90	-	-	5	6	20.8
Gross profit by segment	466	472	464	(1.7)	(0.4)	905	935	3.3
Gross profit (%)*								
Biomass power plants	32.8	31.6	30.4	(1.2)	(2.4)	32.0	31.0	(1.0)
Natural gas power plant	29.9	21.0	19.5	(1.5)	(10.4)	31.1	20.3	(10.8)
Municipal solid waste power plants	52.1	57.2	58.8	1.6	6.7	51.5	58.0	6.5
Solar energy power plants	58.0	54.7	55.8	1.1	(2.2)	57.1	55.2	(1.9)
% Gross profit margin by segment	33.6	29.1	28.3	(0.8)	(5.3)	33.5	28.7	(4.8)

*Note: Change in margin % is represented in ppt change; Source: ACE

GGC (BUY, TP THB13.1) – FA margin spike rescued 2Q22

GGC's 2Q22 core net profit was THB555m, up 131% q-q and 435% y-y, with a pre-tax THB133m inventory loss, beating our forecast by 25% and the BBG consensus estimate by 30%. GGC's EBITDA margin was lower q-q at 8.8% in 2Q22 due to a lower methyl ester (ME) margin. Its 2Q22 EBITDA of THB663m came from: 1) THB239m EBITDA from ME, down 44% q-q, with a THB23m inventory gain; and 2) fatty alcohol (FA) EBITDA of THB424m, up 50% q-q, with a THB156m inventory loss.

The 2Q22 sales volume for ME dropped to 69.6kt, or 80m litres, down 6% q-q and 9% y-y, due to the government's change in the formula of the biodiesel to B5. The 2Q22 sales volume for FA rose 4% q-q to 24.6kt, due to the higher demand for detergents. The crude palm oil (CPO) price rose 4% q-q to THB54.3/kg in 2Q22, while the benchmark ME price rose 5% q-q to THB65.8/kg, or TH56.9/litre, due to the tighter supply caused by Indonesia's domestic market obligation to limit exports. The FA market price-to-feedstock (P2F) jumped to USD580/t, up 142% q-q and 112% y-y due to the high feedstock cost of crude palm kernel oil (CPKO) at USD1,958/t (-11% q-q, +47% y-y) vs the average FA price of USD2,969/t (+2% q-q, +57% y-y), mainly due to the y-y higher price of mid-cut FA.

We think GGC's net profit outlook in 2022 should remain volatile as the weak demand for biodiesel in Thailand due to the impact of government changes in the biodiesel formula from B10 to B5. However, the rising margin of FA-CPKO should help offset the weak ME-CPO margin. GGC's new ethanol plant should continue to realise quarterly net losses in 2H22 due to the weak demands for ME as the price of sugarcane feedstock stayed higher despite the y-y rising production, based on our estimates

Exhibit 22: Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22		6M21	6M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	4,808	7,316	7,503	2.6	56.1	9,776	14,819	51.6	21,133
Operating costs	(4,589)	(6,604)	(6,840)	3.6	49.1	(9,308)	(13,444)	44.4	(19,922)
EBITDA	219	712	663	(6.9)	202.7	468	1,375	193.8	1,210
<i>EBITDA margin (%)</i>	4.6	9.7	8.8	<i>nm</i>	<i>nm</i>	4.8	9.3	<i>nm</i>	5.7
Depn & amort.	(169)	(157)	(153)	(2.5)	(9.1)	(341)	(311)	(8.8)	(715)
EBIT	50	555	510	(8.1)	913.9	127	1,064	736.3	495
Interest expense	(10)	(10)	(13)	30.0	36.8	(22)	(23)	5.0	30
Interest & invt inc	30	22	(29)	<i>nm</i>	<i>nm</i>	25	(7)	<i>nm</i>	20
Associates' contrib	3	5	38	660.0	1,420.0	26	43	68.6	50
Pretax profit	73	572	506	(11.6)	594.9	156	1,077	590.4	595
Tax	7	(85)	(84)	(1.9)	<i>nm</i>	18	(169)	<i>nm</i>	(19)
<i>Tax rate (%)</i>	(10)	15	17	<i>nm</i>	<i>nm</i>	(11)	16	<i>nm</i>	3
Minority interests	0	0	0	<i>nm</i>	<i>nm</i>	0	0	<i>nm</i>	0
Net profit	80	487	422	(13.3)	428.5	174	909	423.1	576
Stock Gain/(Loss) & NRV	(24)	246	(133)	<i>nm</i>	454.2	50	113	126.0	0
Core net profit	104	241	555	130.6	434.5	124	796	543.1	576
EPS (THB)	0.08	0.48	0.41	(13.3)	428.5	0.17	0.89	423.1	0.56
Core EPS (THB)	0.10	0.24	0.54	130.6	434.5	0.12	0.78	543.1	0.56

Sources: GGC; FSSIA estimates

Exhibit 2: 2Q22/6M22 key quarterly indicators

Operating performance by business	Unit	2Q21	1Q22	2Q22	----- Change ----		6M21	6M22	Change
					(q-q %)	(y-y %)			(y-y %)
Methyl Ester (ME)									
Utilisation*	%	62.0	57.0	55.0	(2)	(7)	65.0	56.0	(9)
Sales volume	tonne	76,114	73,991	69,565	(6)	(9)	167,592	143,556	(14)
Sales volume	m litre	88	86	80	(6)	(9)	194	166	(14)
EBITDA	THB m	42	430	239	(44)	469	248	669	170
EBITDA margin*	%	1.3	8.6	4.9	(4)	4	3.3	6.8	4
Stock gain/(loss) & NRV	THB m	(41)	59	23	(61)	nm	(60)	82	nm
Adjusted EBITDA	THB m	83	371	216	(42)	160	308	587	91
Adjusted EBITDA margin*	%	2.6	7.4	4.4	(3)	2	4.1	5.9	2
Fatty Alcohol (FA)									
Utilisation*	%	89.0	106.0	99.0	(7)	10	71.0	101.0	30
Sales volume	tonne	25,451	23,631	24,653	4	(3)	38,826	48,284	24
EBITDA	THB m	177	282	424	50	140	221	706	219
EBITDA margin*	%	11.4	12.2	16.3	4	5	9.7	14.3	5
Stock gain/(loss) & NRV	THB m	17	187	(156)	nm	nm	103	31	(70)
Adjusted EBITDA	THB m	160	95	580	511	263	118	675	472
Adjusted EBITDA margin*	%	10.3	4.1	22.3	18	12	5.2	13.7	9
Product and feedstock prices									
Methyl Ester (ME) - biodiesel									
Methyl Ester (B100)	THB/litre	37.0	54.0	56.9	5	54	39.2	55.5	42
Methyl Ester (B100)	THB/kg	42.8	62.5	65.8	5	54	45.3	64.1	42
Crude Palm Oil (CPO)	THB/kg	33.7	52.1	54.3	4	61	35.7	53.2	49
EPPO P2F	THB/kg	3.11	3.11	3.11	0	0	3.11	3.11	0
Biodiesel mandate		B10	B5,B7	B5	nm	nm	B10	B5 B7	nm
Fatty Alcohol (FA)									
- Short chain	USD/tonne	2,235	3,899	4,337	11	94	2,138	4,118	93
- Mid cut	USD/tonne	2,049	2,742	2,682	(2)	31	1,990	2,712	36
- Long chain	USD/tonne	1,476	3,057	3,272	7	122	1,404	3,164	125
Average Fatty Alcohol price	USD/tonne	1,896	2,914	2,969	2	57	1,831	2,942	61
Crude Palm Kernel Oil (CPKO)	USD/tonne	1,329	2,192	1,958	(11)	47	1,280	2,075	62
Market P2F of Fatty Alcohols	USD/tonne	274	240	580	142	112	270	410	52

*Note: Change in margin % is represented in ppt change

Sources: GGC; FSSIA estimates

BBGI (BUY, TP THB15) – 2Q22 core loss was driven by higher feedstock costs

BBGI's 2Q22 core loss was THB65m, down from a net profit (NP) of THB130m in 1Q22, due to a falling sales volume of ethanol and higher feedstock cost, missing our forecast by 35% and the BBG consensus estimate by 40%. BBGI's EBITDA margin dropped to 2.2% in 2Q22 due to a lower sales volume of methyl ester (ME) caused by the government's biodiesel policy change from B10 to B5 and ethanol due to feedstock shortage. Its 2Q22 EBITDA of THB74m plunged as the sales volumes of ethanol and ME declined due to weak demands and rising feedstock prices.

The prices of cassava jumped in 2Q22 due to the higher import from China to replace a shortage of corn used for the ethanol productions and animal feeds. Similarly, the molasses price rose sharply due to the falling production of the sugarcane. Revenue as a result plunged to THB3.4b, down 9% q-q and 4% y-y, comprising revenue from biodiesel at THB2.7b, down 1% q-q but up 30% y-y mainly due to the higher ME price on the spike in the crude palm oil (CPO) price, driven by Indonesia' ban on palm oil export and the supply shortage due to Russia-Ukraine war.

Revenue from high value bio-based products took off at THB0.5m, coming from the sales of its pharmaceutical-grade hand-washing alcohol and food supplement products. BBGI would continue to boost its revenue from the bio-based products in 2022-23 to gradually replace the low-margin and highly volatile ethanol and ME.

Exhibit 23: Summary of 2Q22/6M22 operations

	2Q21	1Q22	2Q22		6M21	6M22	Change	2022E	
	(THB m)	(THB m)	(THB m)	(q-q %)	(y-y %)	(THB m)	(THB m)	(y-y %)	(THB m)
Revenue	3,539	3,740	3,413	(8.7)	(3.5)	6,936	7,153	(3.0)	13,545
Operating costs	(3,163)	(3,403)	(3,340)	(1.9)	5.6	(6,157)	(6,742)	(8.7)	(11,898)
EBITDA	376	337	74	(78.1)	(80.4)	779	411	89.7	1,647
<i>EBITDA margin (%)</i>	10.6	9.0	2.2	<i>nm</i>	<i>nm</i>	11.2	5.7	<i>nm</i>	12.2
Deprn & amort.	(204)	(102)	(105)	2.9	(48.7)	(305)	(207)	47.7	(562)
EBIT	172	235	(31)	<i>nm</i>	<i>nm</i>	474	204	132.2	1,085
Interest expense	(28)	(26)	(24)	(9.0)	(13.8)	(51)	(51)	0.8	(80)
Interest & invt inc	1	-	-	<i>nm</i>	<i>nm</i>	1	-	<i>nm</i>	-
Other income	6	8	7	(2.0)	22.9	17	15	15.7	30
Associates' contrib	14	(1)	(3)	<i>nm</i>	<i>nm</i>	22	(3)	<i>nm</i>	-
Exceptionals	(0)	-	12	<i>nm</i>	<i>nm</i>	(0)	12	<i>nm</i>	-
Pretax profit	164	215	(39)	<i>nm</i>	<i>nm</i>	463	177	162.0	1,035
Tax	(15)	(18)	8	145.0	154.7	(41)	(10)	307.2	(144)
<i>Tax rate (%)</i>	9.2	8.5	21.3	<i>nm</i>	<i>nm</i>	8.9	5.7	<i>nm</i>	14.0
Minority interests	(43)	(67)	(26)	<i>nm</i>	<i>nm</i>	(113)	(92)	<i>nm</i>	(53.9)
Net profit	107	130	(56)	<i>nm</i>	<i>nm</i>	309	74	316.4	836
Core net profit	107	130	(65)	<i>nm</i>	<i>nm</i>	309	65	375.0	836
EPS (THB)	0.07	0.09	(0.04)	<i>nm</i>	<i>nm</i>	0.21	0.05	316.4	0.58
Core EPS (THB)	0.07	0.09	(0.05)	<i>nm</i>	<i>nm</i>	0.21	0.05	375.0	0.58

Sources: BBGI; FSSIA estimates

Exhibit 24: 2Q22/6M22 Quarterly key performance

	2Q21	1Q22	2Q22	(q-q %)	(y-y %)	6M21	6M22	(q-q %)
Sales volume								
Ethanol	50	38	27	(29.0)	(45.5)	84	65	(22.0)
Biodiesel	63	51	47	(8.8)	(26.1)	na	98	<i>nm</i>
Revenue								
Ethanol	1,278	987	696	(29.5)	(45.5)	2,154	1,683	(21.9)
Biodiesel	2,260	2,753	2,717	(1.3)	20.2	4,783	5,470	14.4
High-value bio based	na	na	0.50	<i>nm</i>	<i>nm</i>	na	0.5	<i>nm</i>

Sources: BBGI

QH (BUY, TP THB2.5) – slow recovery in 2Q22

QH recorded a 2Q22 net profit of THB515m, down 12% q-q but up 7% y-y, missing Bloomberg's consensus estimate by 5%. Revenue grew to THB2.2b, up 5% q-q and 4% y-y, on higher revenue from condo, which rose to THB281m, up 344% q-q and 148% y-y. However, revenue from QH's core business segment of low rise projects dropped to THB1.7b, down 9% q-q and 9% y-y. Gross margin was 34.3% in 2Q22, up from 29.9% in 2Q21 but down from 34.4% in 1Q22 due to the lower gross margin for the rental office building. Share of profit declined to THB363m, down 9% q-q and 5% y-y due to the falling equity incomes from LHFG to THB32m 9-54% q-q, -43% y-y) and QHPF to THB29m (-21% q-q, -24% y-y).

Revenue from real estate rose slightly by 0.4% y-y to THB1.97b, driven by higher revenue from condo to offset the weaker revenue from housing projects at THB1.7b, down 9% q-q and 9% y-y. Revenue from hotel operations increased to THB149m, up 128% y-y while revenue from rental office weakened to THB76m, down 3% y-y.

Cost of goods sold (COGS) was THB1.4b in 2Q22, up 4% q-q but down 2% y-y. The declines in the COGS of the real estate sales to THB1.1b (-9% q-q, -12% y-y) was in line with the drops in revenue. Meanwhile, COGS for condo jumped to THB196m, up 271% q-q and 110% y-y, still lower than the increases in the revenue from condo. Share of profits dropped to THB363m, due to the lower equity incomes from LH group at THB32m (-24% y-y), Quality House Leasehold Property Fund at THB29m (-24% y-y), offset by the higher equity income from HMPRO at THB302m (+17% y-y).

Exhibit 25: QH – summary of 2Q22/1H22 operations

Year to Dec 31	2Q21	1Q22	2Q22	Change		2Q22	1H22		2022E	Change	
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%22E	(THB m)	(y-y%)	(%22E)	(THB m)	(y-y%)
Sales	2,106	2,091	2,195	5	4	25	4,285	4	49	8,697	7
Gross profit	629	719	754	5	20	28	1,473	22	56	2,645	9
Operating costs	(447)	(450)	(531)	18	19	29	(981)	7	54	(1,825)	1
Operating profit	183	269	223	(17)	22	27	492	66	60	819	36
Operating EBITDA	278	359	314	(13)	13	26	673	38	56	1,199	23
Other income	60	52	65	25	8	26	116	(5)	46	253	7
Interest expense	(82)	(71)	(62)	(12)	(24)	24	(133)	(19)	51	(262)	(21)
Profit before tax	161	250	225	(10)	40	28	475	87	59	810	60
Tax	(61)	(64)	(73)	14	21	48	(138)	27	89	(154)	(30)
Associates	381	399	363	(9)	(5)	19	763	(1)	40	1,908	38
Reported net profit	482	585	515	(12)	7	20	1,100	21	43	2,565	54
Recurring net profit	482	585	515	(12)	7	20	1,100	21	43	2,565	54
EPS (THB)	0.04	0.05	0.05	(12)	7	20	0.10	21	43	0.24	54
Recurring EPS (THB)	0.04	0.05	0.05	(12)	7	20	0.10	21	43	0.24	54
BV/share (THB)	2.48	2.57	2.52	(2)	2					2.60	3
Key Ratios (%)				(ppt)	(ppt)			(ppt)			
Gross margin	29.9	34.4	34.3	(0.1)	4.5		34.4	5.2		30.4	0.6
Operating margin	8.7	12.9	10.2	(2.7)	1.5		11.5	4.3		9.4	2.0
EBITDA margin	13.2	17.2	14.3	(2.9)	1.1		15.7	4.0		13.8	1.8
Recurring net margin	22.9	28.0	23.5	(4.5)	0.6		25.7	3.6		29.5	8.9
SG&A / Sales	21.2	21.5	24.2	2.6	3.0		22.9			21.0	(1.4)
Effective tax rate	37.7	25.7	32.6	6.9	(5.1)		0.0			0.0	0.0
Interest coverage (EBITDA) (x)	3.4	5.1	5.0				5.0			4.6	
Net debt/equity (x)	0.5	0.4	0.4							0.5	

Sources: QH; FSSIA's estimates

Exhibit 26: QH – segmentation

	2Q21	1Q22	2Q22	----- Change -----		2Q22	----- 1H22 -----			2022E	Change
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)	%22E	(THB m)	(y-y%)	(%22E)	(THB m)	(y-y%)
NET SALES	2,106	2,091	2,195	5	4	25	4,285	4	49	8,697	7
Land & Houses	1,850	1,851	1,689	(9)	(9)	22	3,540	(2)	47	7,515	8
Condo	113	63	281	344	148	51	344	67	62	552	7
Rental - office buildings	78	75	76	1	(3)	25	151	(3)	49	309	2
Rental - residential buildings	65	101	149	47	128	46	250	64	78	321	2
COST OF GOODS SOLD	1,477	1,371	1,441	5	(2)	24	2,812	(4)	46	6,052	6
Land & Houses	1,253	1,211	1,104	(9)	(12)	23	2,314	(7)	n/a	4,792	(1)
Condo	93	53	196	271	110	51	249	51	n/a	387	(5)
Rental - office buildings	28	27	29	6	3	27	55	1	n/a	107	(0)
Rental - residential buildings	103	81	112	39	9	33	194	(11)	n/a	336	(9)
GROSS PROFIT	629	719	754	5	20	28	1,473	22	56	2,645	9
	(%)	(%)	(%)	(ppt)	(ppt)		(%)	ppt		(%)	ppt
GROSS MARGIN	29.9	34.4	34.3	(0.1)	4.5		34.4	5.2		30.4	0.6
Land & Houses	32.3	34.6	34.7	0.0	2.4		34.6	3.4		36.2	5.3
Condo	17.5	16.5	30.1	13.6	12.6		27.6	7.5		30.0	8.2
Rental - office buildings	64.6	64.1	62.3	(1.8)	(2.2)		63.2	(1.3)		65.4	0.8
Rental - residential buildings	(57.6)	19.9	24.6	4.7	82.1		22.7	65.4		(4.7)	12.7
Share of profit from associates	2Q21	1Q22	2Q22	----- Change -----			----- 1H22 -----				
	(THB m)	(THB m)	(THB m)	(q-q%)	(y-y%)		(THB m)	y-y%			
HMPRO TB	285	300	302	1	6		602	8			
LHFG TB	56	70	32	(54)	(43)		102	(24)			
QHPF TB	38	37	29	(21)	(24)		66	(14)			
QHHR TB	2	(8)	0	na	na		(8)	(905)			
TOTAL	381	399	363	(9)	(5)		762	(1)			

Source: QH

NCAP (HOLD; TP THB7.6) - Feeble 2Q22 results from NPLs and competition

- NCAP reported a weak 2Q22 net profit of THB13m, decreasing 82% y-y and 80% q-q. The feeble performance dragged down by 1) a significant increase in its ECL by 179% y-y and 53% q-q, following a substantial increase in its non-performing loans (NPLs) by 62% q-q, implying an NPL ratio of 1.95% from 1.36% in 1Q22 from customer fraud in some areas and high inflation; and 2) a q-q drop in its NIM to 18.9% from 19.5% due to a rise in cost of funds and lower loan yields. We believe its loan yields should be pressured by the intense competition, resulting in a higher commission paid to dealers. Such negative factors were able to completely drown out its strong operating income growth of 48% y-y and 6% q-q following solid loan growth. NCAP's loan volume surged 74% y-y and 13% q-q due to higher demand for motorcycle and from gaining more market share from competitors.

2Q22 highlights

- NII surged by 56% y-y and 12% q-q on the back of its aggressive loan expansion.
- Non-NII increased by 33% y-y from a rise in fee income following the higher loan volume.
- Credit cost rose to 1,312 bps following the surge in its NPLs. NPLs increased exponentially due to customer fraud in some service areas and the high inflation environment.
- Its 1H22 net profit accounts for 21% of our 2022 net profit forecasts. We see 20%-50% downside risks to our 2022-24 current forecasts from higher NPL, tighter competition and rate hikes.
- We expect NCAP to continue to deliver weak performance in 3Q22 due to the elevated provision level and intense competition.
- We maintain our HOLD call.

Exhibit 27: NCAP – summary of 2Q22 earnings

Year-end Dec 31	2Q21	1Q22	----- 2Q22 -----		----- 1H22 -----			2022E	Change	2Q22 Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	%22E	(THB m)	
Net interest income	223	309	347	56	12	656	53	47	1,407	51
Non-interest income	79	110	98	24	(11)	208	29	47	440	24
Operating income	302	419	446	48	6	865	47	47	1,846	44
Operating expenses	123	180	187	52	4	367	51	49	753	42
PPOP before tax	179	239	258	44	8	498	43	46	1,093	45
Expected credit loss	87	157	241	179	53	399	148	63	636	75
Income tax	18	17	4	(78)	(77)	21	(44)	23	91	17
Minority interest	0	(0)	0			(0)			0	
Normalised profit	75	65	13	(82)	(80)	78	(48)	21	366	18
Extraordinary items	0	0	0			0			0	
Net profit	75	65	13	(82)	(80)	78	(48)	21	366	18
EPS (THB)	0.08	0.07	0.01	(88)	(87)	0.08	(51)	26	0.31	(11)
Asset quality ratio (%)										
NPLs (THB m)	60	94	152	156	62				121	55
NPLs / loans	1.33	1.36	1.95						1.37	
Loan loss reserve/NPLs	433	409	337						383	
Credit cost (bps)	801	993	1,312						870	
Profitability ratio (%)										
Cost to income ratio	40.7	42.9	42.0						40.8	
Average yield	22.8	21.7	21.3						20.8	
Cost of funds (COF)	3.9	3.7	4.2						3.4	
Net interest margin (NIM)	20.6	19.5	18.9						19.3	
Non-int inc / total income	26.2	26.3	22.0						23.8	
Loan growth (%)										
y-y	18.6	66.3	74.1						53.0	
q-q	8.2	19.4	13.3							

Sources: NCAP; FSSIA estimates

MTC (BUY; 2023 TP of THB60) - In line 2Q22 results, but a continued surge of NPLs

- MTC reported a continued recovery 2Q22 net profit of THB1,381m (+9 y-y, stable q-q), which was in line with our and the Bloomberg consensus expectations. MTC's 2Q22 performance was a mixed bag. On the positive sides, its loan volume surged by 8.9% q-q and 34.5% y-y, which higher than our forecasts, following an ample demand and its effort to gain more market share. Also, with its aggressive branch expansion to 6,475 branches from 6,166 branches in 1Q22, its cost to income ratio declined to 45.7%. Additionally, MTC was able to control its cost of funds effectively, leading to a stable cost of funds q-q. As for the negative is the continued 29% q-q surge in its NPLs in 2Q22 from the high inflation and the end of the debt forbearance program, with a record low coverage ratio of 96%. Its 1H22 net profit accounts for 49% of our 2022 net profit forecast.

2Q22 key highlights

- NII increased by 24% y-y and 7% q-q following a rise in its loan volume of 34.5% y-y and 8.9% q-q.
- Its cost of funds was relatively stable q-q at 3.2% due to a higher mix of short-term borrowing during the quarter.
- Its non-NII slightly dropped 2% y-y from the negative impact from the new debt collection fee measures.
- We expect that MTC's NPL ratio and coverage ratio in 2022 will worsen that its target of lower than 2% and 120-130%, respectively. Thus, we believe it will set higher provisions in 2H22 as it would like to increase its coverage ratio and accelerate NPL write-offs. However, we think its active balance sheet should help to prevent downside risks from the elevated expected credit loss (ECL) level. Thus, we reiterate our view that MTC's net profit in 2H22 will increase y-y and h-h.
- We maintain our BUY call.

Exhibit 28: MTC – summary of 2Q22/1H22 operations

Year end Dec 31	2Q21	1Q22	2Q22	--- Change ---		1H22	Change	% of	2022E	Change	Comments
	(THB m)	(THB m)	(THB m)	(y-y %)	(q-q %)	(THB m)	(y-y %)	22E	(THB m)	(y-y %)	
Net interest income	3,177	3,682	3,955	24	7	7,636	21	48	16,055	23	
Non-interest income	212	163	208	(2)	28	370	(24)	59	631	(23)	
Operating income	3,389	3,844	4,162	23	8	8,006	18	48	16,687	20	
Operating expenses	1,656	1,943	1,902	15	(2)	3,845	22	46	8,285	19	
PPOP before tax	1,733	1,902	2,260	30	19	4,161	15	50	8,401	21	
Expected credit loss	138	169	524	280	210	694	136	52	1,334	83	
Income tax	325	357	355	9	(1)	712	4	50	1,413	12	
Minority interest	0	0	0			0			0		
Normalised profit	1,270	1,376	1,381	9	0	2,756	4	49	5,654	14	
Extraordinary items	0	0	0			0			0		
Net profit	1,270	1,376	1,381	9	0	2,756	4	49	5,654	14	In-line with the BBG's consensus
EPS (THB)	0.60	0.65	0.65	9	0	1.30	4	49	2.67	14	
Asset quality ratio											
NPLs (THB m)	882	1,630	2,104	138	29				2,360	85	
NPLs / Loans (%)	1.11	1.65	1.96						2.02		
Loan loss reserve/NPLs (%)	163	113	96						114		
Credit cost (bp)	72	71	204						128		
Profitability ratio (%)											
Cost to income ratio	48.9	50.5	45.7						49.7		
Average yield	19.2	18.0	17.9						18.1		
Cost of fund	3.4	3.2	3.2						3.5		
Net interest margin (NIM)	16.6	15.5	15.4						15.4		
Non-int inc/total income	6.3	4.2	5.0						38.5		
Loan growth (%)											
Year-to-date	32.3	7.4	17.0								
y-y	26.0	34.1	34.5						27.0		
q-q	8.5	7.4	8.9								

Sources: MTC; FSSIA estimates

Economic news

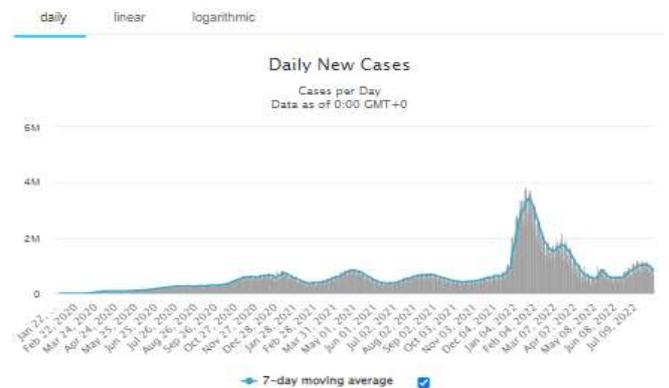
- COVID-19 cases as of 9 Aug globally reaches **161,062,427** with new 736,353 cases and 13,503 new deaths. There are 21,616,631 currently infected patients, with 43,765 (0.2%) cases in serious condition.

Exhibit 29: Top 25 countries by new cases

Country	Total Cases	New Cases	Total Deaths	New Deaths
World	590,782,866	677,295	6,440,620	1,765
1 Japan	14,421,539	172,998	33,825	162
2 S. Korea	20,694,239	149,819	25,332	40
3 Italy	21,368,480	43,078	173,426	177
4 USA	94,097,705	38,808	1,059,508	260
5 France	34,117,888	38,230	152,822	111
6 Brazil	34,066,000	30,220	680,598	359
7 Australia	9,684,642	26,530	12,439	104
8 Taiwan	4,777,903	23,669	9,273	18
9 Russia	18,746,886	16,325	382,846	60
10 India	44,188,087	13,437	526,772	
11 Romania	3,130,545	9,864	66,236	41
12 Singapore	1,771,088	7,972	1,542	1
13 Serbia	2,178,198	7,265	16,380	10
14 Indonesia	6,255,679	6,276	157,131	18
15 New Zealand	1,666,539	6,137	2,413	20
16 Poland	6,100,827	5,964	116,686	26
17 Chile	4,320,173	5,714	59,840	5
18 Austria	4,796,689	5,675	19,215	15
19 Hong Kong	1,393,327	4,045	9,550	3
20 Portugal	5,367,395	3,949	24,707	10
21 Spain	13,280,557	3,594	111,339	62
22 Malaysia	4,714,498	3,083	36,044	12
23 Guatemala	1,060,714	3,020	19,140	10
24 Czechia	4,002,616	2,958	40,587	4
25 Bolivia	1,067,338	2,933	22,102	7
34 Thailand	4,609,406	1,955	31,666	33

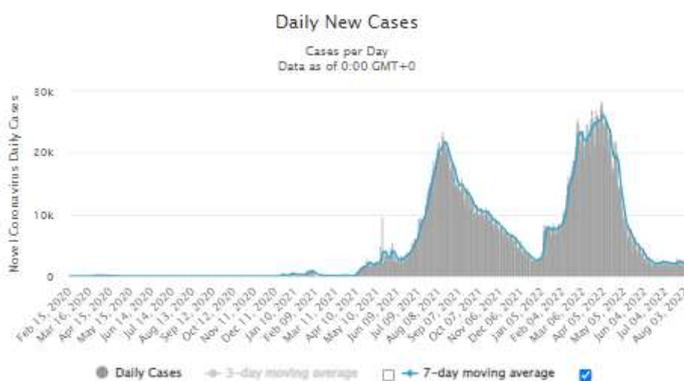
Source: worldometers.info

Exhibit 30: Global by new cases and deaths

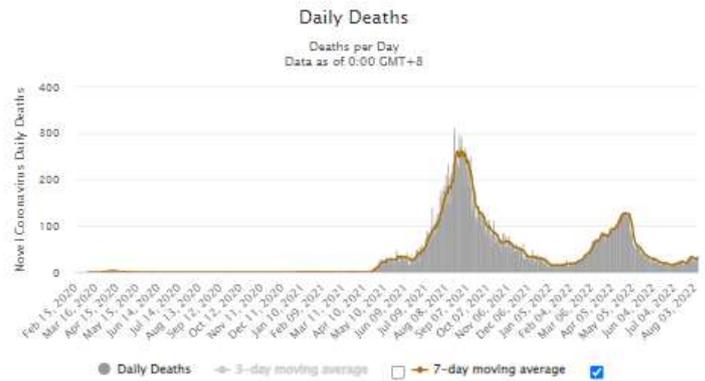


Source: worldometers.info

Daily New Cases in Thailand



Daily New Deaths in Thailand



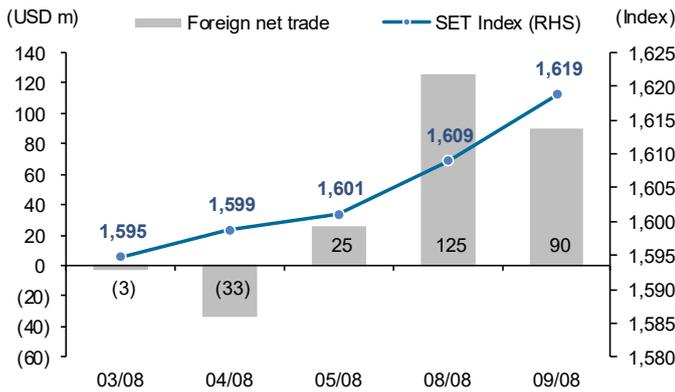
- Cabinet approves Eastern Airport City BANGKOK POST** : The cabinet has approved the use of about 1,000 rai of the Eastern Airport City project for development of a free-trade city to draw major investors.
- MPC expected to raise interest rate Wednesday BANGKOK POST** : The Monetary Policy Committee (MPC) is expected to raise the policy interest rate for the first time in two years by 0.25% on Wednesday to 0.75%, as inflation soared above 7% in the last two months, bringing an end to a low-interest era, analysts say.
- Mother's Day to see 9% rise in spending BANGKOK POST** : Spending on Mother's Day is expected to increase by 9% this year to 10.8 billion baht, the highest level since 2012, as consumers feel less concerned about the Omicron variant of Covid-19, reflecting the start of the country's tepid economic recovery, according to the University of the Thai Chamber of Commerce (UTCC).
- EconThai calls for wage hike to be based on inflation rate BANGKOK POST** : The Employers' Confederation of Thai Trade and Industry (EconThai) is urging the government to base the daily minimum wage calculation on inflation, not

politically-motivated factors, as the Labour Ministry plans to enforce the new wage hike in October, which is sooner than originally anticipated.

Corporate news

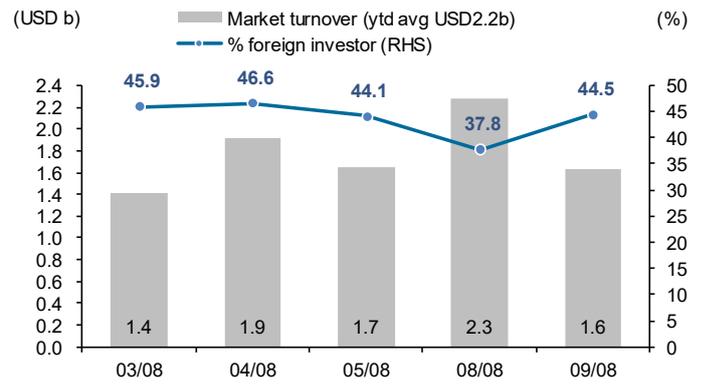
- **Thai Airways' B80bn capital-raising plan led by govt** BANGKOK POST : Thai Airways International Plc will receive key financial support from the government for its 80 billion baht capital raising and debt-to-equity swap plan aimed at helping the state-controlled carrier come out of its pandemic-induced bankruptcy.
- **Bank of Thailand to get more powers in crypto law overhaul** BANGKOK POST : The government plans to overhaul digital rules to confer more powers on the central bank and tighten the oversight of platforms offering cryptocurrencies and other tokens after a recent market rout left retail investors reeling from losses.
- **Finance minister favours modest rate hike to shield growth** BANGKOK POST : The Bank of Thailand (BoT) should stay away from a steep policy tightening path to protect the economy's nascent recovery while taming the fastest inflation in more than a decade, according to the finance minister.
- **Ad Slowdown Spreads Beyond Tech to TV Networks, Publishers** BANGKOK POST : U.S. television networks and news publishers are feeling the effects of a slowdown in the advertising market, the latest indication that an ad-spending retrenchment previously flagged by giant technology companies is spreading.
- **Sellers unfazed as Facebook scraps live shopping feature** BANGKOK POST : A decision by Facebook to scrap its live shopping feature in October is unlikely to take a heavy toll on e-commerce in Thailand where sellers have not significantly counted on this function for their sales, according to industry pundits.
- **SPRC faces B39m suit over oil spill** BANGKOK POST : RAYONG: Restaurant and hotel entrepreneurs at Mae Ramphueng beach and Koh Samet yesterday filed a lawsuit against Star Petroleum Refining Public Co Ltd (SPRC) to demand 38.8 million baht in compensation for recent oil spills that have harmed the area.
- **S&P bakeries install robots as costs soar** BANGKOK POST : SET-listed S&P Syndicate Plc, the operator of the S&P bakery and restaurant chain, is to adapt its business operation to cope with high operational costs, with the launch of various tools such as work automation in the second half of this year.
- **Banks vow to keep rates steady for the time being** BANGKOK POST : Local major banks plan to hold their interest rates steady if the Bank of Thailand raises the policy rate on Wednesday, as they want to mitigate its impact on borrowers amid a gradual economic recovery.

Exhibit 31: Foreign fund flow and SET Index



Source: Bloomberg

Exhibit 32: Foreign participation



Source: Bloomberg

Exhibit 33: Index performance

	SET Index		Index performance (% change)									
	Index	(%chg)	Energy	Bank	Comu	Commerce	Food	Property	Construct	Transport	Petrochem	
% of SET Index			22%	9%	9%	10%	6%	6%	4%	8%	3%	
Current	1,618.80	0.6	0.2	0.6	0.2	0.4	0.8	0.6	(0.2)	0.0	1.0	
-5D	1,589.16	1.9	1.2	3.7	1.8	1.6	1.0	1.2	2.1	1.4	(0.3)	
-1M	1,557.87	3.9	3.3	5.3	2.0	1.7	(0.7)	4.8	(0.2)	1.3	(2.4)	
-3M	1,604.49	0.9	2.1	0.8	(14.4)	(5.3)	2.9	2.3	1.9	5.5	(2.9)	
-6M	1,703.16	(5.0)	(3.4)	(16.8)	(10.7)	(7.0)	(2.5)	(4.3)	(6.6)	4.5	(16.6)	
-1Y	1,540.19	5.1	10.1	13.5	21.6	1.2	(5.5)	16.3	(11.8)	10.0	(6.0)	
WTD	1,601.09	1.1	1.8	2.1	1.0	1.1	1.1	1.2	0.8	0.1	1.2	
MTD	1,576.41	2.7	2.2	3.1	3.5	1.8	1.8	3.0	0.3	2.3	1.3	
QTD	1,568.33	3.2	3.4	1.8	2.5	2.6	(1.5)	4.0	(0.3)	0.9	(3.6)	
End of 2021	1,657.62	(2.3)	0.3	(9.4)	(7.8)	(4.3)	(2.1)	1.6	(5.7)	8.3	(10.1)	

Source: Bloomberg

Exhibit 34: Trade by investor types

	SET Index		Exchange rate (USD:THB)	SET Index		Equity trading / Net position				Bond Net foreign (USD m)
	Index	Change (y-y%)		Average daily turnover (THB m)	Average daily turnover (USD m)	Foreign (USD m)	Retail (USD m)	PropTrade (USD m)	Local Inst (USD m)	
2018	1,563.88	(10.8)	32.32	56,370	1,744	(8,913)	3,571	(478)	5,799	8,855
2019	1,579.84	1.0	31.06	52,468	1,689	(1,496)	(662)	477	1,681	(502)
2020	1,449.35	(8.3)	31.29	67,335	2,152	(8,287)	6,873	459	953	(1,005)
2021	1,657.62	14.4	32.00	88,443	2,764	(1,632)	3,630	435	(2,330)	6,550
2022YTD	1,618.80	(2.3)	34.18	76,742	2,245	3,900	(789)	57	(3,166)	3,559
1Q21	1,587.21	41.0	30.27	93,653	3,094	(987)	1,622	129	(765)	128
2Q21	1,587.79	18.6	31.35	94,016	2,999	(1,482)	1,973	85	(575)	2,442
3Q21	1,605.68	29.8	32.94	86,406	2,623	(8)	(179)	190	98	632
4Q21	1,657.62	14.4	33.37	79,917	2,395	845	212	33	(1,089)	3,348
1Q22	1,695.24	6.8	33.03	89,343	2,705	3,369	(904)	32	(2,495)	2,613
2Q22	1,568.33	(1.2)	34.38	70,765	2,058	72	128	11	(211)	663
3Q22	1,618.80	0.8	36.09	60,666	1,681	458	(13)	14	(459)	284
Jan-22	1,648.81	12.4	33.22	87,540	2,635	432	220	104	(757)	2,434
Feb-22	1,685.18	12.6	32.63	91,300	2,798	1,931	(864)	142	(1,207)	2,201
Mar-22	1,695.24	6.8	33.25	89,189	2,682	1,006	(260)	(214)	(532)	(2,023)
Apr-22	1,667.44	5.3	33.80	71,959	2,129	321	109	(40)	(390)	227
May-22	1,663.41	4.4	34.41	73,281	2,130	592	(771)	50	128	876
Jun-22	1,568.33	(1.2)	34.94	67,056	1,919	(841)	790	1	50	(440)
Jul-22	1,576.41	3.6	36.35	58,263	1,603	128	155	(12)	(271)	(96)
Aug-22	1,618.80	(1.2)	35.84	63,069	1,760	330	(168)	26	(188)	380
2022YTD	1,618.80	(2.3)	34.18	76,742	2,245	3,900	(789)	57	(3,166)	3,559
8/3/2022	1,594.73		36.22	50,898	1,405	(3)	16	11	(24)	28
8/4/2022	1,598.75		35.89	69,088	1,925	(34)	12	33	(12)	(13)
8/5/2022	1,601.09		35.80	58,838	1,643	25	(8)	(3)	(14)	15
8/8/2022	1,608.87		35.65	63,266	1,775	126	(49)	(13)	(64)	56
8/9/2022	1,618.80		35.41	57,674	1,629	90	(67)	(1)	(22)	137

Source: Bloomberg

Exhibit 35: Upcoming events

Date Time	Event		Survey	Actual	Prior
08/10/2022 03:00	BoT Benchmark Interest Rate	10-Aug	0.75%	--	0.50%
08/10/2022 23:30	Consumer Confidence Economic	Jul	--	--	35.7
08/10/2022 23:30	Consumer Confidence	Jul	--	--	41.6
08/11/2022 03:30	Forward Contracts	5-Aug	--	--	\$28.5b
08/11/2022 03:30	Foreign Reserves	5-Aug	--	--	\$220.0b
08/14/2022 22:30	GDP SA QoQ	2Q	1.00%	--	1.10%
08/14/2022 22:30	GDP YoY	2Q	2.80%	--	2.20%
08/17/2022 08:24	Car Sales	Jul	--	--	67952
08/19/2022 03:30	Forward Contracts	12-Aug	--	--	--
08/19/2022 03:30	Foreign Reserves	12-Aug	--	--	--
08/23/2022 00:30	Bloomberg Aug. Thailand Economic Survey				
08/23/2022 23:30	Customs Exports YoY	Jul	--	--	11.90%
08/23/2022 23:30	Customs Imports YoY	Jul	--	--	24.50%
08/23/2022 23:30	Customs Trade Balance	Jul	--	--	-\$1529m
08/25/2022 08:30	Mfg Production Index ISIC NSA YoY	Jul	--	--	-0.08%
08/25/2022 08:30	Capacity Utilization ISIC	Jul	--	--	62.41
08/26/2022 03:30	Forward Contracts	19-Aug	--	--	--
08/26/2022 03:30	Foreign Reserves	19-Aug	--	--	--
08/31/2022 03:00	BoP Current Account Balance	Jul	--	--	-\$1873m
08/31/2022 03:30	Exports YoY	Jul	--	--	11.10%
08/31/2022 03:30	Exports	Jul	--	--	\$26234m
08/31/2022 03:30	Imports YoY	Jul	--	--	24.30%
08/31/2022 03:30	Imports	Jul	--	--	\$24175m
08/31/2022 03:30	Trade Balance	Jul	--	--	\$2059m
08/31/2022 03:30	BoP Overall Balance	Jul	--	--	-\$3308m
08/31/2022 20:30	S&P Global Thailand PMI Mfg	Aug	--	--	52.4
09/01/2022 03:30	Business Sentiment Index	Aug	--	--	49.4
09/02/2022 03:30	Forward Contracts	26-Aug	--	--	--
09/02/2022 03:30	Foreign Reserves	26-Aug	--	--	--
09/04/2022 23:30	CPI YoY	Aug	--	--	7.61%
09/04/2022 23:30	CPI NSA MoM	Aug	--	--	-0.16%
09/04/2022 23:30	CPI Core YoY	Aug	--	--	2.99%
09/07/2022 09:12	Consumer Confidence Economic	Aug	--	--	--
09/07/2022 09:12	Consumer Confidence	Aug	--	--	--
09/09/2022 03:30	Forward Contracts	2-Sep	--	--	--
09/09/2022 03:30	Foreign Reserves	2-Sep	--	--	--

Source: Bloomberg

Exhibit 36: Upcoming XM

Symbol	X-Date	Meeting Date	Type of Meeting	Agenda	Venue
BAY	8/9/2022	9/1/2022	EGM	Acquisition and disposition of assets, Changing the director(s)	E-Meeting
STHAI	8/11/2022	9/9/2022	EGM	To Consider and approve the amendment of the Memorandum of Association Clause 3. (Objectives) by increasing the Company's objectives to operate and sell steam	E-Meeting
JASIF	8/18/2022	9/23/2022	EGM	To consider and approve the waiver and/or amendment to certain provisions of the Benefits Seeking Agreements, termination the relevant Benefits Seeking Agreements	E-Meeting
WAVE	8/18/2022	9/13/2022	EGM	Capital increase, The issuance of convertible securities	E-Meeting
CIG	8/19/2022	9/16/2022	EGM	Capital increase, Acquisition and disposition of assets, The issuance of convertible securities, The issuance of debentures	E-Meeting
PPP	8/23/2022	10/4/2022	EGM	Amendment of the Company's Objectives and Amendment of the Company's Memorandum of Association Clause 3.	E-Meeting
STARK	8/29/2022	9/23/2022	EGM	Capital increase, Acquisition and disposition of assets	E-Meeting

Source: SET

Exhibit 37: Management trading

Company	Management	Securities	Transaction	Shares	Price (THB)	Action	Value (THBm)
Sahakol Equipment (SQ)	Pawat Sirisan	Common Shares	5/8/2022	350,000	2.00	Buy	0.70

Source: SEC

Exhibit 38: Upcoming XR

Symbol	X-Date	Announce Date	Rights for	Subscription Price	Unit	Subscription Ratio (Holding:New)	Subscription Period	Allotted Shares (Shares)
BR	8/18/2022	7/5/2022	Warrants	-	Baht	2 : 1	-	456,723,279
JP	8/23/2022	6/28/2022	Warrants	-	Baht	2 : 1	-	227,500,000
MBAX	8/24/2022	6/29/2022	Warrants	-	Baht	3 : 1	-	63,965,047
SABUY	9/1/2022	6/24/2022	Warrants	-	Baht	5 : 2	-	616,428,376
WAVE	9/20/2022	8/8/2022	Common	0.1	Baht	-	07/10/2022 - 17/10/2022	7,852,617,010
WAVE	9/20/2022	8/8/2022	Warrants	-	Baht	3 : 1	-	2,617,539,003
CIG	9/22/2022	8/8/2022	Common	0.5	Baht	1 : 2	10/10/2022 - 21/10/2022	1,729,577,364

Source: SET

Exhibit 39: Upcoming XD

Symbol	X-Date	Announce Date	Dividend (per Share)	Unit	Operation Period	Source of Dividend	Payment Date	Par
SCC	8/10/2022	7/27/2022	6	Baht	01/01/2022 - 30/06/2022	NP	8/26/2022	1
RAM	8/10/2022	7/27/2022	0.25	Baht	-	RE	8/26/2022	0.1
1DIV	8/11/2022	8/2/2022	0.2	Baht	-	RE	8/30/2022	10.5049
INETREIT	8/15/2022	8/3/2022	0.228	Baht	01/04/2022 - 30/06/2022	NP	8/29/2022	10
PTTEP	8/15/2022	8/1/2022	4.25	Baht	01/01/2022 - 30/06/2022	Both	8/26/2022	1
CPNCG	8/16/2022	8/3/2022	0.235	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10.3
DIF	8/16/2022	8/3/2022	0.26	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10
FTREIT	8/16/2022	8/2/2022	0.175	Baht	01/04/2022 - 30/06/2022	NP	9/1/2022	9.5363
POPF	8/16/2022	8/3/2022	0.2544	Baht	01/04/2022 - 30/06/2022	Both	9/5/2022	10
PPF	8/16/2022	8/3/2022	0.17	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10
SIRIP	8/16/2022	8/3/2022	0.05	Baht	01/04/2022 - 30/06/2022	NP	9/5/2022	10
TFM	8/16/2022	8/2/2022	0.05	Baht	01/01/2022 - 30/06/2022	NP	8/31/2022	2
CPNREIT	8/17/2022	8/4/2022	0.28	Baht	01/04/2022 - 30/06/2022	NP	9/2/2022	12.0402
TPRIME	8/17/2022	8/4/2022	0.113	Baht	01/04/2022 - 30/06/2022	NP	9/6/2022	8.7305
LPN	8/17/2022	8/4/2022	0.1	Baht	01/01/2022 - 30/06/2022	NP	9/1/2022	1
BOL	8/18/2022	8/5/2022	0.13	Baht	01/01/2022 - 30/06/2022	NP	9/2/2022	0.1
INSET	8/18/2022	8/5/2022	0.04	Baht	01/01/2022 - 30/06/2022	NP	9/1/2022	0.5
RCL	8/18/2022	8/5/2022	1.75	Baht	01/01/2022 - 30/06/2022	Both	9/2/2022	1
SNC	8/18/2022	8/5/2022	0.65	Baht	01/01/2022 - 30/06/2022	Both	9/2/2022	1
THREL	8/19/2022	8/8/2022	0.08	Baht	01/01/2022 - 30/06/2022	NP	-	1
VNG	8/19/2022	8/8/2022	0.1	Baht	01/01/2022 - 30/06/2022	NP	9/2/2022	1
KIAT	8/22/2022	8/8/2022	0.01	Baht	01/01/2022 - 30/06/2022	NP	9/2/2022	0.1
TU	8/22/2022	8/8/2022	0.4	Baht	01/01/2022 - 30/06/2022	NP	9/5/2022	0.25
RPH	8/25/2022	8/8/2022	0.2	Baht	01/01/2022 - 30/06/2022	NP	9/1/2022	1

Source: SET

Exhibit 40: New securities

Derivative Warrants	Trade Date	Underlying	Issuer	DW Type	Market	Maturity Date	Exercise Price (Baht)
AOT11C2302A	10/8/2022	AOT	KS	Call	SET	4/3/2023	83
BANPU24C2301A	10/8/2022	BANPU	FSS	Call	SET	12/1/2023	16.4
BANPU28C2301A	10/8/2022	BANPU	MACQ	Call	SET	10/1/2023	16.3
BBL11C2302A	10/8/2022	BBL	KS	Call	SET	4/3/2023	156
BH19P2212A	10/8/2022	BH	YUANTA	Put	SET	9/12/2022	124.83
DJI28C2212C	10/8/2022	DJI	MACQ	Call	SET	22/12/2022	35,500.00
EA19P2212A	10/8/2022	EA	YUANTA	Put	SET	9/12/2022	58.11
GEELY28C2301A	10/8/2022	GEELY	MACQ	Call	SET	3/2/2023	22.5
HSBC28C2301A	10/8/2022	HSBC	MACQ	Call	SET	3/2/2023	58
IVL19C2212A	10/8/2022	IVL	YUANTA	Call	SET	9/12/2022	53.45
JMART19P2212A	10/8/2022	JMART	YUANTA	Put	SET	9/12/2022	34.48
JMART24C2301A	10/8/2022	JMART	FSS	Call	SET	12/1/2023	64.75
JMT19P2212A	10/8/2022	JMT	YUANTA	Put	SET	9/12/2022	54.31
JMT28C2302A	10/8/2022	JMT	MACQ	Call	SET	21/02/2023	76.5
MTC28C2302A	10/8/2022	MTC	MACQ	Call	SET	21/02/2023	48.75
NDX28C2212C	10/8/2022	NDX	MACQ	Call	SET	22/12/2022	14,100.00
NDX28C2212D	10/8/2022	NDX	MACQ	Call	SET	22/12/2022	15,500.00
NDX28P2212B	10/8/2022	NDX	MACQ	Put	SET	22/12/2022	11,800.00
PTT24C2301A	10/8/2022	PTT	FSS	Call	SET	12/1/2023	46.5
SAWAD28C2301A	10/8/2022	SAWAD	MACQ	Call	SET	10/1/2023	61
SCC11C2302A	10/8/2022	SCC	KS	Call	SET	4/3/2023	420
SCGP11P2301A	10/8/2022	SCGP	KS	Put	SET	4/2/2023	50.25
SET5013P2212A	10/8/2022	SET50	KGI	Put	SET	5/1/2023	850
SET5024P2212A	10/8/2022	SET50	FSS	Put	SET	5/1/2023	850
SPRC11C2302A	10/8/2022	SPRC	KS	Call	SET	4/3/2023	13.2
SPX28C2212C	10/8/2022	SPX	MACQ	Call	SET	22/12/2022	4,700.00
SPX28P2212B	10/8/2022	SPX	MACQ	Put	SET	22/12/2022	3,650.00
TIDLOR28C2301A	10/8/2022	TIDLOR	MACQ	Call	SET	10/1/2023	35
TU11P2301A	10/8/2022	TU	KS	Put	SET	4/2/2023	15
VGI11C2302A	10/8/2022	VGI	KS	Call	SET	4/3/2023	5

Source: SET